Interview with Lawrence E. Harrison

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LAWRENCE E. HARRISON

Interviewed by: W. Haven North

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Q: Today is December 12, 1996. The interview is with Lawrence E. Harrison, who served with the Foreign Assistance Program for how many years?

HARRISON: Twenty.

Q: Starting about when?

HARRISON: In May of 1962. I retired on my 50th birthday in March of '82.

Early years, education and military service

Q: Let's start off with a little bit about where you came from, where you grew up, your early education and any other experiences, particularly as they might suggest how you got interested in foreign affairs and international development.

HARRISON: I was born and raised in Brookline, Massachusetts, and I went through the Brookline public schools, including Brookline High School. I attended Dartmouth College and, upon graduation-

Q: What did you major in in college?

HARRISON: I majored in American literature, formally. I was not a very serious student, I'm sorry to say, and I spent most of my time outside the classroom in a variety of sports and entertainment activities. Fortunately, I was selected to go to Naval Officer Candidate School, which I did just a few months after graduating from college.

Q: This was what year now?

HARRISON: This was 1953. After four and a half months at Newport, I was commissioned as an ensign. I ended up spending two and a half years on a destroyer in the Pacific Fleet. This is relevant to what subsequently happened because, during that period, I took the management intern examination for federal service and, in 1957, ended up in the office of the Secretary of Defense as a management intern. I rotated for the first two years through a number of organizations within OSD and ended up working-Q: Was there any time during the Navy that you did international travel?

HARRISON: Oh, yes.

Q: Where were you assigned and where did you go?

HARRISON: My ship was based in Long Beach, California, and we spent half of each year in the Far East, mostly operating out of Japan, Taiwan, and the Philippines. At that time, I suppose, some of my interest in international activity began. I certainly found it stimulating and interesting.

Q: So you were able to visit the countries?

HARRISON: Yes. We were usually in port for a few days. We were in Japan for more than that and I did get a chance to do a fair amount of traveling in Japan, mostly in the Tokyo area. I enjoyed the Navy very much and at one point considered making a career out of it.

I think it was good that I decided not to because I'm very absentminded and I came close to a collision while I was the officer on the deck of my destroyer, and I'm sure worse things were in store for me. So, I didn't stay.

Q: You mentioned you took the management intern examination and went into the Office of the Secretary?

Worked in the Office of the Secretary of Defense and later in OSD/International Security Affairs

HARRISON: The Office of the Secretary of Defense. I worked in OSD for five years, but then I gravitated fairly quickly to the International Security Affairs office.

Q: What were your responsibilities in that job?

HARRISON: After the normal internship, I ended up working on the military assistance training program. After two years, they sent me to do an MPA program at Harvard.

Q: What was your responsibility in the military assistance training program?

HARRISON: To provide policy guidelines to the services, with respect to their bringing foreign students to the United States for studies. That really reinforced the growing interest in international activity. When I got to Harvard, I spent a fair amount of time studying economic development.

Q: This is what year now?

Graduate studies at Harvard - 1959-1960

HARRISON: This was '59-'60. My first daughter was born during that period. When I got back to OSD after the year at Harvard-

Q: What did you study at Harvard?

HARRISON: Part of it was Soviet studies, part of it was economic development.

Q: Any course stand out in your mind or any program or people?

HARRISON: The one course that I remember was a course in economic development with Prof. Arthur Smithies. He's gone many, many years, I'm sure. One of my classmates was Dick Bloomfield, now the retired Ambassador Dick Bloomfield, whom I saw repeatedly over the years. He was in that course with Smithies, I remember.

Returned to the Department of Defense - Office of Military Assistance - 1960-1962

When I got back, I moved to the Office of Military Assistance Planning where my focus was the Third World: Africa and, particularly, Latin America. I was deeply involved after the election of President Kennedy in promoting the idea of civic action - principally from a developmental point of view, not so much a counterinsurgency point of view. It became very apparent to anybody who looked at the Latin American military that they had vast resources. I did not appreciate then how dominant a political force they were. I soon came to appreciate that. There was a small group, an informal group with representatives from State, Aid, Defense, and the NSC—almost a surreptitious group—working to promote civic action. What we appreciated was that there was an enormous economic resource, be it in communications or engineering, road construction and so forth, that was essentially unused for civil purposes. So, this little conspiracy among the four organizations resulted in a national security action memorandum that the President signed, promoting the whole idea.

We're now in the spring of 1962. I received three invitations to shift over to AID. Jim Fowler was the author of one of them.

Q: Before we go to that, what was the civic action program? What did you do?

HARRISON: We got money in both the military assistance and AID budgets to promote the use of military resources in development projects - many of them in construction of roads (particularly feeder roads), bridges, etc.

Q: Did you find the Latin American military receptive to doing that sort of thing?

HARRISON: Yes, for the most part.

Q: Not diverted from their usual function?

HARRISON: Their principal task of overthrowing governments? I think they may have seen, as our own military did, the utility of this kind of thing in terms of developing relationships with civilian populations. We found in most of the military institutions at least some people (usually engineers who felt underused) who were enthusiastic about getting involved in this kind of thing.

Q: Were there any countries or areas or programs that you found particularly interesting or effective?

Joined AID in the Latin America Bureau - 1962

HARRISON: I remember, in the early days, while I was still in the Defense Department, we had a lot of interest on the part of a few Bolivian military people, one of whom subsequently became the Bolivian ambassador to the United States. My recollections of it are vague.

I had three options when I moved to AID. One was to work in the Asia bureau; one was to work in the Central Programming bureau; and one was to work in the Latin American bureau. I'd become quite interested in Latin America, in the Office of the Secretary of Defense, and much of my work in military assistance planning gravitated towards Latin America. I chose the Latin America Program Office job in AID. In that job,

I had responsibilities for civic action programs, police programs, and also for general development programs in Central America. It was the latter that increasingly occupied my time. By that time, I had come to the conclusion that serving overseas was what I really wanted to do. So, after just about a year in that job-

Q: How did you find the bureau at that time?

HARRISON: It was a very exciting time. Those were the first years of the Alliance for Progress.

Q: Who was the AA at that time?

HARRISON: The assistant administrator when I arrived was Teodoro Moscoso. Ted was a remarkable person, with whom I retained a relationship throughout the rest of his life. He died just a few years ago. I always like him and admired him. He was not a particularly good administrator. Indeed, after the Kennedy assassination, he was dismissed. But he had a great verve and a great commitment to the job. He had been the head of Operation Bootstrap in Puerto Rico. He was a Puerto Rican, of course. He communicated that total commitment to his work through the people who worked for him. He was also an extremely nice and decent human being. But for me the most important thing about Moscoso was that both he and I (now totally out of touch) started evolving towards a view of what Latin America's real problems were that were very coincident. He made a speech in 1966 (this was a few years after he had left the job) in which he said, “We were kidding ourselves in the Alliance for Progress. We were both naive and arrogant” (these were words that I subsequently used in an article in Foreign Policy I wrote a few years later) “in assuming that Latin America's problems were principally the consequence of neglect by the United States.”

Q: I want to talk about the Alliance. Did it start about that time? HARRISON: It was announced in March of 1961 in a speech by Kennedy. It was confirmed in a meeting in Punta del Este in Uruguay the following summer, where all the presidents met. The

Alliance for Progress was a response to the Cuban Revolution, basically. On the one hand, we were concerned that the conditions in Latin America were so inequitable, there was so much injustice, so much oppression, that what happened in Cuba would naturally happen elsewhere. So, we felt some real heat trying to deter that spread of the Revolution to other countries. There were a lot of people who went into the Alliance who went in not so much concerned about Cuba as about the terrible conditions in our own neighborhood, many with a certain sense of responsibility for it, feeling that we hadn't done the right thing in Latin America and were exploiting them. This is what some of them felt, though I never did. United Fruit Company and so forth. I want to come back to the United Fruit Company, by the way.

The whole idea was, in a very short period of time, to insulate Latin America from the communist-

Q: Did you feel it was a real threat to the countries of Latin America?

HARRISON: I think we all felt it was. Mind you, I joined AID just three years after Castro made his Revolution. Che Guevara was an idol of virtually all Latin Americans and particularly Latin Americans of the left. This was after Nixon's very unpleasant reception in his Latin American trip. I remember, in Caracas, his car was stoned.

Yes, we were very much cold warriors, in a way, but we were also very much do-gooders. We were also extremely naive, I must say. The whole foundation and structure of the Alliance for Progress was based on the assumption that we could make Latin America safe for democracy in a short period of time, in 10 years.

Q: How were we planning to do that? What was the strategy behind this?

HARRISON: Basically, we were going to promote capitalism, democratic processes. We were totally committed to free elections for presidents, chiefs of state. Within a couple of years, that whole presumption collapsed in a spate of military overthrows of elected

governments. We tried at the outset to do everything we could to deter them, but we were irrelevant, basically, to the political forces that were at work in Latin America. The old traditions of authority and the abuses of power were the ones that persisted. We never asked the question “How come these people do this? Why is Latin America so different from the United States and Canada?” We never asked that question.

Q: Was there general enthusiasm, interest among the Latin American countries for the Alliance for Progress?

HARRISON: In a few cases. A lot of them saw it as a new way of getting a lot of money from the United States. Those sincerely committed to the same principles were in the minority. There was still a great mistrust of the United States on the part of most Latin American politicians. Those were the early years of dependency theory. Dependency theory explained Latin America's woes, economic as well as political and social, as the consequence of living in the same hemisphere with a bunch of evil exploiters north of the Rio Grande. That soon became the rage, not only in Latin America, but in our own universities. We have seen a couple of generations of youngsters exposed to the absolutely absurd and destructive—and costly for Latin America—view that Latin America's problems were the result of Yankee imperialism.

Q: And the Alliance, presumably, was to help counter that view?

HARRISON: The dependency view was just growing at that time. I was importantly sponsored by the Economic Commission for Latin America and Raul Prebisch, the Argentine economist who so powerfully influenced not only Latin American economic policymakers, but also Third World policymakers in general. Prebisch was not, by the way, a Marxist, but his theories that were very parallel to Marxist interpretations of imperialism. There was a center. There was a periphery. And the center was manipulating the periphery for its own benefit. But that was not a central issue back in the 60s. The central issue getting on with the show - on the one hand suppressing Marxist radicals

through counterinsurgency programs and the police program, and, on the other hand, creating the conditions in Latin America that would be comparable to what we knew in the First World.

Q: What were the particular programmatic elements of that approach?

HARRISON: At one level, they did a lot of program lending. That was aimed at economic policies. Colombia was a showcase; Chile was a showcase. At another level, there was the whole array of sectoral activity in agriculture and education, health, private sector development, export promotion and so forth. There was a lot of money around.

Q: Do you remember what scale we're talking about?

HARRISON: If I remember correctly (mind you, this was in years when the dollar was worth a lot more than it is today), $600 million was being appropriated annually for Latin America.

Q: Who were the main recipients of that?

HARRISON: The main ones were Brazil, Chile, and Colombia. And, at the same time, we were promoting integration schemes, above all the Central American common market. This became a central focus for me because much of my service was subsequently in Central America. That also was an Alliance for Progress objective, to promote integration.

Q: Were all the countries of Central America included in the Alliance?

HARRISON: Yes, absolutely, all the Latin American countries, Central and South America, as well as the Caribbean.

Q: Mexico?

HARRISON: Yes, Mexico, sort of reluctantly and in a very limited way. We never had any significant aid program. They were reluctant to accept it. Their foreign policy was importantly predicated on anti-Americanism. That persisted really through the 1980s. So, their relationships with the United States were always very fragile.

Q: Well, maybe we'll come back to the Alliance some more, but you had this assignment in the Program Office.

First overseas assignment with the USAID Mission Costa Rica - 1964

HARRISON: Right, and that got me exposed to Central America. The job as program officer in Costa Rica opened up late in 1963. So, I attended Spanish language instruction at FSI for four months, late in '63 and early '64 and arrived in Costa Rica in March, if I remember correctly, of 1964. I had a wife and three small daughters. My wife was suffering from an acute back problem at the time. We soon got established in that lovely little country.

Q: What was the situation in Costa Rica at that time?

HARRISON: Costa Rica, of course, is atypical, and it was atypical then. Its democratic traditions are much more deeply rooted than almost any other Latin American country. Chile would be one exception. Uruguay might be another.

Q: Why, briefly?

HARRISON: It's importantly a cultural explanation. The Spaniards who came to Costa Rica in the sixteenth century were not your normal, run of the mill Conquistador get-rich-quick-and-get-back-to-Spain type. We are not certain who they were. There's a lot of speculation that many may have been Jewish converts to Catholicism. There's a little bit of evidence, not really compelling, that that might have been the case. All we know is that the people who went to Costa Rica went there not with the idea of getting rich, because

there were very few Indians to enslave and very little gold and silver, unlike Nicaragua, which was settled much earlier. They went there to farm and to stay. Out of that frontier, this is our new life, this is our new country experience came a leveling effect. That was facilitated probably by the small number of Indians who were present. Costa Rica moved towards pluralism at a very early time. In the 1830s, an American diplomat named John Stephens traveled through Central America. This was shortly after independence in 1821 for the Central American countries and, I believe, shortly after the breakup of the Central American Confederation, which was formed after independence. He noted that Costa Rica was a very peaceful, pleasant country where there was not the kind of strife that you found in the other Central American countries.

Q: Why did we then have a program there?

HARRISON: While its democratic institutions were, by Latin American standards, advanced, the country was still relatively poor. We also have always had a special relationship with Costa Rica because we have shared so much in the way of political ideology and institutions. A combination of those things made Costa Rica a Central American showcase on a much smaller scale than Chile, Brazil and Colombia in South America.

I was there only for a year and two months. What was particularly interesting at that time was that the large volcano, Irazu, to the east of the city of San Jose, had started erupting shortly after President Kennedy's visit in March of 1963. The eruptions were highly destructive in a number of senses. First of all, the ash that spewed from the volcano spread all over the very rich central plateau, which is where most of Costa Rica's coffee is produced. At that time, coffee was the most important crop. There were also serious mudslides from the devastation of the watershed of a river that ran through the nearby city of Cartago. These mud floods came down and a lot of people lost their lives. It was necessary to build dikes and the U.S. Seabees were brought in to do it. During that

year and a quarter, most of what I did had to do, directly or indirectly, with the volcanic eruptions.

Q: What did that entail? What were we trying to do?

HARRISON: We had the Seabee program that I've just mentioned. We also were providing American volcanologists. I remember that one of them was from Hawaii, a Japanese American who was a world authority. At the same time, we were trying to do the normal Alliance programs, which involved the private sector and health and agriculture. We were also involved with the Bureau of Public Roads, which was building the Pan-American Highway. We were involved with the customs of Costa Rica. Interestingly, when I went back a couple of years ago, people were still providing technical assistance for a highly corrupted customs operation in Costa Rica—some 30 years later.

Q: There wasn't any particular development strategy?

HARRISON: Because of the depredations of the eruptions, the economy was staggered. Coffee production declined sharply, which meant that exports declined. So there was an aggravation of the traditional Costa Rican tendency to overspend. So, we had quite a substantial assistance program for them.

Q: Were we trying to address any macroeconomic policy issues, like this overspending question?

HARRISON: At that point, our principal focus was how to keep Costa Rica on a more or less even keel in the face of the enormous destruction caused by the volcano. The whole idea of structural adjustment and the whole idea of sector programs and so forth, that happened later. What did happen at that time, however, was the first family planning programs.

Q: Was that well received?

HARRISON: Quietly. Costa Rica, of course, is a Catholic country, as are all Latin American countries. There was opposition on the part of the Church and some other elements in the society. But there was enough support for it. So we got our first programs going with a private demographic association. That was early in 1965.

Q: Doing demographic work or doing family planning activities?

HARRISON: Mostly, at the outset, demographic work, but also doing some educational work.

Q: I see. So the actual family planning services-

HARRISON: At the outset, I don't believe they were included, other than education.

Q: Was this linked at all to the health program at that time?

HARRISON: No. It was a separate thing that people were very, very anxious about because it was so politically sensitive.

Q: Were there any other programs that stood out in your mind?

HARRISON: No. I did get to know a lot of Costa Ricans. I made some friendships that have endured over the years. That was relevant because, after my next assignment, I went back to Costa Rica as the director.

Q: We'll come back to that. So you were there only just a year and a half and then you-

Transfer to the Dominican Republic - 1965

HARRISON: Actually, I got there in March of 1964 and on April 24, 1965, the Dominican Civil War exploded - the Dominican Revolution, as it was referred to back then. This appeared to the people in Washington to hold the possibility of being another Cuba. It

was clear that, in the revolutionary forces, which ran the spectrum from right of center to far left, there were communist elements. As a result, shortly after it exploded, it became one of the highest foreign policy concerns of the Johnson Administration. One of the principal devices that the Administration came up with to confine the Revolution to the city of Santo Domingo was to bring in teams of State, AID, military, and Peace Corps people who had some experience in Latin America and send them out to all of the provinces as kind of shadow government to keep the work of government going, to assure that food was flowing and gasoline was available and so forth. There were seven such teams. I got a high priority message one day, saying, “Pack up field clothes and a flashlight and report to San Juan, Puerto Rico.” I, along with 50 or 60 other people.

Q: Leaving your family behind?

HARRISON: Yes, and it was supposed to be a TDY thing. So I got to Puerto Rico. I was flown in a military aircraft to Santo Domingo, to the military airbase outside of Santo Domingo in San Isidro. I went to the AID mission directly and, within, I think, a day, I was in the town of San Pedro de Macoris in the eastern side of Hispaniola, which the Dominican Republic shares with Haiti. There were a couple of military guys, a Peace Corps guy. Our job was to make sure that everything was moving as smoothly as possible in these circumstances.

Q: You're talking about moving what?

HARRISON: Food, salaries to government workers, gasoline, public transportation was flowing-

Q: How big an area are you talking about?

HARRISON: The city itself is about 25,000, but we had to worry about the whole east of the Dominican Republic. I remember that I spent about a day in San Pedro and the next couple of days I spent traveling out to the smaller towns and villages, all the way out to

Higuey out on the eastern coast of the Dominican Republic - and La Romana, where the South Puerto Rico Sugar Company had a very big operation. I did that for about-

Q: What were you trying to accomplish?

HARRISON: Just to make sure that the Revolution didn't spread from Santo Domingo.

Q: Was it likely to?

HARRISON: Oh, there was no question about it. It could have. The Dominican Republic was and is a country where a lot of people are poor and unhappy, perhaps most people. It's a typical profile of a few rich and a lot of poor and denial of opportunity and so forth. Of course, it also had a tradition of authoritarian politics that was symbolized by the Trujillo dictatorship, which ended in 1961. Anyhow, after about a week of that, I got a message to come back to Santo Domingo. They asked me if I would stay on. They were creating a new job as assistant director for the AID mission.

Q: For a particular job?

HARRISON: Basically for program and planning. So, I accepted that.

Q: Who was the director at that time?

HARRISON: At that time, Carter Ide was the director. Carter was abysmally treated by the agency in Washington. He was viewed as not up to the job in post-revolutionary Santo Domingo. So, the person who was brought in was Alex Firfer from Bolivia. Actually, Alex and I lived together for a couple of months in the house that Carter had lived in . My family was still back in Costa Rica. I went back, a few months afterwards, to pick them up and come back, after things had quieted down some. It was a very exciting and dramatic time. There was firing going on all over the city, particularly in the evenings. The fighting continued, with the large U.S. military contingent trying to hem in the revolutionaries

without doing too much damage to them. But they were shooting at one another and there were a fair number of casualties.

Q: Who were the contenders in this?

HARRISON: We have to go back a little bit, to the elections that the United States was responsible for sponsoring that took place in 1962 and were won by Juan Bosch. He was installed, if I remember correctly, early in '63 and was a disaster as a chief of state. He antagonized a lot of the principal elements of the society, including the military and, to some extent, the private sector, and, to some extent, the United States. We had a political appointee, Ambassador John Bartlow Martin, who wrote a very interesting book about his experience there. He did everything he could to keep the Bosch government going. But Bosch was finally ousted by the military in the fall of '63. A military government was first installed and then a prominent businessman, Donald Reid Cabral, became the de facto chief of state. It was elements of the military, along with the left and some centrists, who rebelled against the Reid government - at a time of intense drought, by the way, which may have fed the process - in April of '65. I arrived in May.

You had the so-called “Constitutionalists” downtown, hemmed in by what was left of the Dominican military (some had joined the Constitutionalists) and the American Marines. One of the Fort Bragg Airborne outfits came in as well. Then you had an OAS patina spread over this. A Brazilian general came in with token forces from other Latin American countries. But it was clearly our operation.

Q: Was it effective?

HARRISON: Well, the fighting actually stopped in June or July. A provisional government was established that was led by Hector Garcia Godoy, an excellent guy. That was installed in September, if I remember correctly, of 1965. By that time, I had gone back to pick up my family and we had our own house and were established there.

Q: What about your work as assistant director?

HARRISON: Actually, I soon became the deputy director. Jack Nepple was the deputy and he left, I think, fairly early in 1966. So, basically, I ended up doing what a deputy does, but with particular emphasis on program and planning. It was an enormous mission with an enormous amount of money.

Q: What scale are we talking about?

HARRISON: $200 million in one year. We kept the government afloat. We paid salaries. We assured that the foreign exchange reserves did not drop below an acceptable level. At the same time, we were involved in every aspect of Dominican life. That includes all the traditional sectors. It included program assistance. We were so intimately involved, after the presidential elections of 1966, which installed Joaquin Balaguer, who recently retired from the presidency, that we were present at the weekly economic cabinet meetings held in the palace. (This is something which seemed to me to be increasingly unseemly; before I left, we finally stopped it.) The meetings were very, very large (all of the autonomous institutions as well as the ministries were represented). The president sat at the head of the table; Ambassador John Crimminssat to his right; Alex Firfer sat to his right; and I sat to his right. We were so deeply involved in everything that we became sort of members of the government, in a way. There were a lot of Dominicans, not even necessarily of the Left, who were put off by our presence.

Q: Did you play an active role in these meetings?

HARRISON: Yes. We often were better informed on what was going on than certainly the president and often the cabinet ministers. I don't want to leave the provisional government because, in a way, it was a most unusual moment. It ran the country between September of '65 and July of '66, if I remember correctly. A lot of the people who were in it were on the Constitutionalists' side, including a number of Marxists, during the Revolution. A lot of

us were very sympathetic to the Revolution. I personally was; the Ambassador was; Alex Firfer was. The Dominican Republic was not a good place for human beings, most human beings. There was so much unfairness, injustice, incompetence as well, abuse. I became very close to a number of people who were of the Left. My ex-wife also got deeply involved with youth groups in Santo Domingo of the Left. Interestingly, some of the friendships that were formed then persist to this day. It was a very moving experience.

Q: Who were these Left people?

HARRISON: The Minister of Planning in the provisional government was an engineer by the name of Luis Sosa Baudr_. He had, I believe, belonged to one or more of the extreme Left parties or movements. But he was widely respected because he was an excellent theoretical engineer. He also turned out to be a very fine person. We became quite close personal friends. We used to play poker every week.

Q: He wasn't a Marxist?

HARRISON: Well, he was at one time, but he got off of that. A lot of them did. Some of them were not Marxists. For example, the former head of the economic section of the central bank, who was the leading lay evangelist of the country, was the Deputy Planning Minister during the provisional government. He subsequently became the rector of the university and he's also a close friend, whom I asked to do some work for us when I was in Nicaragua some 15 years later. The best known hydrological engineer was U.S. trained, somebody with whom I spoke just a few weeks ago, who is ill right now—another young, bright, altruistic guy who sympathized with the Constitutionalist cause.

Anyhow, the personal relationships were— The Dominicans are very warm, open people and that was a memorable aspect of those years.

Q: What were we trying to do, working with the government?

HARRISON: We were trying to rebuild the economy in one sense and, at the same time, move it towards democratic institutions.

Q: What were some of the particular program elements moving in that direction?

HARRISON: We had a vast program. Not only did we have a lot of money, but we had a lot of people. I had a blackboard in my office that had all of the long term direct hire and contract people. There were over 200 people on that blackboard. This meant that we were doing technical assistance in all of the key ministries. We worked closely with the economic section of the Embassy on economic analysis and economic policy questions. One of the crucial, burning questions at the time was the devaluation of the peso. President Balaguer said, “If the peso falls, I fall and the Dominican Republic falls.” So, we had all kinds of debates about devaluation. We worked very closely with the IMF people, who were also very concerned, of course, about economic policy questions and exchange rate questions.

Q: Did they devalue?

HARRISON: No, not at the time. They did subsequently. I read through the guidelines that you were kind enough to send me. As I reflect on the Dominican experience, as well as the other experiences, some of the most important things I think we've done have been related to educational institutions. We did a lot of educational institution building in the Dominican Republic, which has been very helpful to them over the years. We focused on a secondary agricultural school in Santiago, the second city of the country, where there was quite an unusual group of public-spirited businessmen and professional men, who put up a good deal of support and who subsequently built a university, which became probably the best university in the Dominican Republic, and we also helped that. We sent 100 young men and women to Texas A&M University to study agriculture. I think, if you could find out what those people are doing today, you would discover that that investment produced a very high yield. We set up another agriculture secondary school. We tried to help the

Autonomous University, which was very radicalized and which kept us more or less at arm's length, although we were able to do a few things in the physical sciences with them. The university was a typical Latin American disaster of a university: highly politicized, very little learning going on. But it was those investments in institutions, in human resource institutions, in educational institutions that I think were the most important.

Q: It was the same sort of thing in the other sectors, too, building institutional capacities?

HARRISON: We had a very large Texas A&M technical assistance team, which was sort of a shadow ministry within the Ministry. Interestingly, the guy who was the head of the team subsequently became for a few years (I don't think he was very successful) the president of Texas A&M University—Jarvis Miller.

Agriculture had been one of our principal fields of effort. We particularly tried to promote large-scale agriculture through agribusiness investors from the United States. I left the Dominican Republic with the strong sense that we had been doing a lot of bits and pieces of things that did not have a coherent connecting structure. That was very important to what happened when I went back to Costa Rica. Basically, we were told, “You've got to make this country safe for democracy. Whatever resources you need, you can substantially count on.” So, at the one level, we were stabilizing the economy and, at the other, we were trying to do all these things in the various sectors.

Q: Services to people in which sectors?

HARRISON: Certainly services in the agriculture sector, in health, the education programs that I've already mentioned. We had, for the most part, a very good working relationship.

Q: A lot of infrastructure work?

HARRISON: The IDB, the Interamerican Development Bank, and the World Bank were more involved with infrastructure than we were. The Aswan Dam, if you will, of President

Balaguer was a dam—the Tavera Dam—that was supposed to solve all of the Dominican Republic's economic problems. It was not so much an electricity generator, although it did some of that, but it was very useful for irrigation. But it did not solve all of the Dominican Republic's problems, although it did lead to a memorable humorous moment that is very instructive about what the reality of Dominican leadership was. There was a signing ceremony for the kickoff of the construction of the dam. By now, I think, we're in '67, possibly '68. A high-level delegation came down from Washington. That included the then Under Secretary of State, Nicholas Katzenbach. We were in the Johnson Administration. I was the control officer for the visit. I remember all the planning that went into it. But one of the events was a call on Balaguer. Balaguer was a highly, highly, highly centralized administrator. He looked at the books every night, looked at all of the expenditures. He worked 18 hours a day seven days a week. At one point in the conversation (I was not there, but Katzenbach reported it subsequently), Balaguer turned to Katzenbach and said, “Mr. Secretary, there's something I just cannot understand and I'd appreciate it if you could explain it to me. I work 18 hours a day seven days a week, 365 days a year, running this country. How is it possible for President Johnson to run the United States?”

Q: Did Katzenbach comment?

HARRISON: I think he laughed. I should mention that I subsequently had the opportunity to tell President Johnson that story. I'll explain the circumstances later.

Q: You did mention that you were trying to do some work in restoring democratic institutions or creating them? What were you trying to do?

HARRISON: The elections that brought Balaguer to power were held in mid-1966. In those days, we were nowhere near as intrusive in our involvement with judiciaries, legislatures, and so forth, as we are today. We worked with youth and tried to promote the ideas of pluralism in our youth programs . We provided technical assistance and financial assistance for the elections themselves, the electoral processes. The diplomatic dialogue,

which as you can imagine from our attending economic cabinet meetings, was very, very intense. We had a most able ambassador in John Crimmins, who emphasized democracy, justice, and development. But it was nothing like the programs that we knew in the late '80s and '90s in terms of promotion of democracy.

Q: Do you think these programs were effective?

HARRISON: I'm generally skeptical about programs to promote democracy in the absence of a recognition on the part of the country itself that the reason that it has not enjoyed democratic institutions has a lot to do with the values and attitudes that have been traditional in those societies. That, of course, is what has become the principal focus of my work since I retired. That's another story.

Q: We'll come back to that. Any more on the Dominican Republic at this point?

HARRISON: Alex Firfer went to Vietnam about the spring of 1968 and I became the acting director until I left in December of '68. John Robinson replaced Alex, and we had a brief overlap. I went back to the States without an assignment. There was a mystery about all this. I'd heard that there were several possible places where I would go as director and none of them materialized. I was concerned because I had had not an ideal relationship with the president of Texas A&M University, a retired Army general by the name of Rudder, who was close to Lyndon Johnson, and I was concerned that that might have worked against-

Q: You had problems with the University in this program?

HARRISON: We had some problems. They were very standoffish in their relationships with the AID mission. They wanted to have nothing to do with us. I think they felt that we were somehow stigmatized by the intervention. They saw themselves not as USAID contractors but as representatives of Texas A&M University. So, it was over that kind of issue that we had some difficulties.

I went back and visited my in-laws in California, still not knowing where we were going. I got a mysterious phone call (this was at Christmas time), saying, “Come to Washington. We can't tell you anything else about it. Just come.” So, I got there and I was told that I was going to be going back to Costa Rica as the director. But the mystery was that I was the last AID director that Lyndon Johnson appointed and so I was going to meet with President Johnson at the White House. I did. What I most remember is how hard of hearing he was. I ended up screaming at him. I told him the story of Katzenbach and Balaguer. I'm not sure he heard it. But, you know, we had a pleasant conversation that lasted perhaps 15 or 20 minutes.

Q: Did he make any special points?

HARRISON: No, he just said something like, “I'm very pleased that we're sending you after the Dominican experience to Costa Rica. You are my last mission director and I wanted to wish you personally the best of luck.”

Q: Why were you the last mission director?

HARRISON: Because he was going out of office. It was 1968. He didn't run again and coming in was Richard Nixon.

Q: It's interesting that he would have thought that was important.

HARRISON: I agree with you.

Q: But you didn't get any sense of why, what was-

HARRISON: I think it may have had to do with his satisfaction over the outcome of the Dominican episode.

Q: I see. So, he was recognizing that you had been an important part of that, I guess?

HARRISON: Yes, probably something like that.

Q: Well, that's interesting. Any other observations on that meeting with him at all? Other people in the room at the same time?

HARRISON: No, it was just the two of us, as I recall.

Q: I see.

HARRISON: There was a photographer and a picture was taken (he subsequently signed it for me), and that was it.

Assignment as Mission Director USAID/Costa Rica - 1969

Q: So, then you went off to Costa Rica at that point.

HARRISON: Yes, I did, and I must say, I arrived in circumstances that were very easy for me. My predecessor was Bob Black. Bob had run into some kind of serious trouble with the Costa Rican government, to the point where, I think, the legislature declared him non grata. I don't know enough of the circumstances to be able to comment, but whatever it was, it was a very easy act to follow, particularly since I knew so many people from the prior tour, my first tour there in '64-'65. It turned out to be a fascinating two years.

Q: What was the situation then? Pretty much the same?

HARRISON: The volcanic eruptions had stopped. The economy was in better shape. I arrived in January of '69 and there was an election in April, I believe, of '70. Maybe the inauguration was in April. The election was perhaps earlier in '70. It was an important election. It was a referendum on the traditions of governance that flowed from the 1948 revolution in Costa Rica, the hero of which was Jose Figueres, Don Pepe, as he was known. He became president in '53 and he was running again in 1970. He represented the National Liberation Party, with its tradition of strong state involvement and its highly

paternalistic view of how to solve poverty problems, but substantially committed to democratic processes. The conservatives were represented by a popular politician, Mario Echandi. So we had a very interesting political context in which we were operating.

I mentioned before that I had been very much concerned by the scattershot involvement that we had had in agriculture in the Dominican Republic. Whenever I got to a mission, I spent at least a month just talking to people in the mission and to people in the government and private sector to try to develop a sense of where the USAID fit and what kind of strategy we should be pursuing. So, we had long, long talks and came to the conclusion that the agriculture sector was the most important and that it was particularly the small farm subsector that had been neglected. So, we decided that we would put all of our emphasis on an integrated agriculture program. That's basically what I did for the two years that I was there. I chaired a working group that consisted of a number of prominent Costa Rican technicians as well as U.S. technicians.

There's an interesting institutional aspect to this. When I had been in Costa Rica the first time, I had become friendly with a Costa Rican economist whose name was Eduardo Lizano. (Some years later he would become a distinguished president of Costa Rica's Central Bank.) He was very much interested in doing research on economic development issues. He had said to me, “You know, one of the things that would be great is if AID could help us to set up some kind of research foundation.” When I got back and we decided that we were going to do the agriculture sector program, I got in touch with Eduardo and said, “How about putting together a group and we'll set you up on a contract basis to work with us on the agriculture sector program?” I did this with the approval of the then Planning Minister of the conservative government of President Torrijos, a U.S.-trained Ph.D. in econometrics from the University of California by the name of Miguel Angel Rodriguez, a brilliant guy and somebody who was extremely supportive of what we were doing in agriculture. (Miguel Angel was a presidential candidate for the right of center party in the last elections and is likely to be their presidential candidate in the forthcoming one.) Alberto di Mare, a former Minister of Planning and also the brother-

in-law of Eduardo Lizano, became a member of the group. So did a highly respected right-of-center economist by the name of Claudio Gonzalez, who has been teaching economics and agricultural economics at Ohio State for many years now. So did a left of center agricultural economist by the name of Carlos Saenz. So did the dean of the faculty of agronomy at the University of Costa Rica, Alvaro Cordero. They became our five interlocutors through this process of putting together the agricultural sector program. They formed the Academia de Centroamerica, which is today a prestigious think tank.

We undertook a large number of studies. We came up with what I think was, in the strict sense of development planning, programming, development assistance, the most important thing that I ever was involved in. It was very substantial: $20 million, which in those days, for a small country, was a lot of money. We got it through just at the time that Figueres won the election. We had briefed both the presidential candidates. Figueres, who was a farmer himself, took great interest in that. We got full support from him in implementing it. In the process, I got to know the Minister of Agriculture and the Minister of Planning, who was Oscar Arias, who subsequently became president of Costa Rica and won the Nobel Prize for his work on behalf on peace in Nicaragua. It was a memorable moment.

Q: What is an integrated agricultural development program?

HARRISON: We looked at what the problems were for the small farmer, viewed through his eyes. Some of them had to do with technical assistance and technology. Some of them had to do with his own education. Some of them had to do with marketing. Some of them had to do with transportation. A lot of them had to do with credit.

Q: Were there land ownership issues?

HARRISON: There were also land tenure/land titling issues, absolutely. Other questions were the role of the private sector, agribusiness, small farmer cooperatives, and so on. In each of these areas, we did a study. CLUSA, now NCBA, where I subsequently worked

for four years after I retired, did the cooperative study. Scaff Brown, who I think is now with Chemonics, was our agricultural wise man or general advisor. So, all of these things were studied and prescriptions were developed in the context of this joint Costa Rican-U.S. working group. An agricultural junior college was built as part of it. It was all supposed to make sure that the small farmer would rise and prosper. It was subsequently evaluated by Ed Hutchinson, along with agriculture sector programs that had been done in Colombia and Guatemala, and it got very high marks. But I have to tell you that it was not very successful.

Q: Not very successful?

HARRISON: I don't think so.

Q: Why was that?

HARRISON: It asked too much of Costa Rica. While the Minister was totally committed to it and his Vice Ministers were, the Ministry staff itself was either not that committed to it or saw it as a threat to some of their prerogatives and their traditional interests. It involved a degree of coordination of a variety of central government and autonomous institutions, none of which were accustomed to that and all of which valued their independence, were even jealous of their independence. It required a sense for timing and execution that is not commonly found in Costa Rica. And while it had favorable consequences, if somebody were to go back and do a post facto cost-benefit analysis, I'm sure it would fall short of the cost-benefit calculation we projected.

Q: Did it increase production at all as far as you could tell?

HARRISON: Yes, but again, we thought we were addressing the only thing that was lacking in Costa Rica's development prospects (in fact, while I was there, I recommended a phasedown of the mission, following execution of the agricultural sector program). I don't

think anybody in Costa Rica today, except the people who were involved in it at the time, is aware of it.

Q: There might be elements of it that are continuing.

HARRISON: Several are: the school continues and some of the reforms that were made were helpful. The credit improvements were helpful. The land titling probably was particularly helpful. As I say, it probably was beneficial, but it certainly did not produce all of the dramatic transformations that we had hoped for. It was another element in my education.

Q: You say the main constraint or factor was the institutional features?

HARRISON: But lying behind the institutional features were the people in the institutions and what was in their minds. Notwithstanding the fact that it was codesigned with a group of prominent Costa Rican technicians, it placed demands on that society that could have been met by a modern society of the West or of East Asia, but that asked too much of a Latin American society, even one as unusual as Costa Rica.

Q: Were there other programs that you were initiating during that time?

HARRISON: Yes. We started a savings and loan system with a small loan, a system that has since prospered. We funded a highway maintenance program that did not prosper, as anyone who travels Costa Rica's roads today will tell you. The family planning program was expanding. Our program officer was Ron Nicholson, and since I did not have a deputy, Ron ran the day-to-day operations of the mission. I focused almost exclusively on the agricultural sector program.

I arranged with the Ambassador (when I arrived he was a career officer, Clare Boonstra) to merge our economic sections. We had an economist in AID. He ended up working for the chief of the economic section in the embassy, who in turn was working for me.

We had a change of ambassadors along the way, which is very relevant to what subsequently happened and why I left. He was a Republican fund-raiser by the name of Walter Ploeser, who had been the ambassador in Paraguay, if I remember correctly, and was in the insurance business. He arrived in 1970, shortly before the installation of Figueres. He was very concerned about security, about Cold War issues. He spoke no Spanish. He was a terrible choice for ambassador. He antagonized most Costa Ricans.

I have to say, I did not manage my relationships with him as well as I might have. For one thing, I made it clear to him early on that I was a Democrat, and that was gratuitous. I tried to respect what he was interested in. What he was, above all, interested in was public safety. We had a public safety program at the time. He finally decided that he wanted one of the public safety officers to replace the departing chief of public safety and I thought another candidate would be better. The candidate I liked was Puerto Rican and had military experience, an excellent guy. I just wanted my voice to be heard, but when I said, “I think the other guy would be better,” he took great umbrage. When he next went up to Washington, he told them that he did not want me around anymore.

That was in the summer of 1970. Figueres was in office. The agricultural sector program was being approved in Washington and getting going. I had very good relationships with the government, including with the president. Then came a moment of high intrigue. The Soviets had wanted to set up an embassy in Costa Rica. They made overtures to Don Pepe Figueres, and he agreed to it not long after he was inaugurated. I think that he agreed to it, in part, because the Soviets promised to do him some personal favors. I was totally unaware of this at the time. The Embassy, however, became aware of it. The Ambassador, with his preoccupation with Cold War matters, became totally focused on what was going on with the Soviet Embassy.

As we approached Christmas, the CIA station chief, who had a lot of contacts on the right in Costa Rica and whose wife was a Cuban exile, attended a party at which he was reported to have said (I do not know if he really said it) that the Figueres government

would not be around for too much longer. There were also some reports of guns being run in various parts of the country. The Embassy went on a wartime footing. We were given very mysterious instructions not to have contacts with the government without approval by either the Ambassador or the DCM. This, coupled with the various rumors about guns being run and boats appearing on the coast and so forth, led to a very volatile, tense environment within the embassy, in which a number of people were very, very anxious that something was afoot that should not be afoot.

One night, I was approached at my home by a Costa Rican friend, Jaime Gutierrez, who was Don Pepe Figueres's physician. Don Pepe had raised him after Jaime's father had been killed in the 1948 revolution. He came to me, saying, “In this Republican administration, we don't know where to turn. We think that the U.S. Government is trying to overthrow the Figueres government and you're the only one that we know and trust.” I said to him, “I think it's absolutely impossible and you must be misinformed, but let me do a little bit of checking, just in case.” At that time, the director of Central American Affairs in Washington for both State and AID was Dick Breen, whom, I'm sure you'll remember. At that time, the Principal Assistant Deputy Secretary of State in for Latin America was my former boss, John Crimmins, who had been the ambassador to the Dominican Republic.

So, I called Dick and said, “Things are very strange down here. We're on a wartime footing in the embassy. What's up? What's going on?” Dick said, “Oh, there's nothing. I don't know anything about it. Nothing's going on. Everything's fine, as far as I know.” I called him three or four more times during that fatal week and he kept denying that anything was happening. Meanwhile, there were rumbles now in the newspapers: mysterious ships were sighted and landing parties were rumored to have been seen.

Jaime Gutierrez called and visited me several times with the message of their increasing concern as “evidence mounted. “Don Pepe is afraid that he's going to be overthrown.” On the fateful day, an emissary showed up from Washington, Allen Stewart, a retired ambassador with liberal credentials. Most people in the Embassy had no idea why he

was there. I had a car that had a radio on the Embassy net in it, and it sounded as though Ambassador Stewart was going out to Don Pepe's farm to talk to him. When I got home, I got an alarmed call from Jaime Gutierrez saying something like, “We really think that it's about to happen.” I called Dick Breen at his home. (I had taken the precaution of going to somebody else's house to make the phone calls.) Dick said, “I don't know anything about it. As far as I know, everything's fine.” He knew very well what was going on but stonewalled me for reasons that to this day I will never understand (he was a personal friend and still is, I might add). I then called John Crimmins. John, with whom I had had a close relationship in the Dominican Republic, which had some of the features of a father and son relationship, said to me in high dudgeon (when it came to dudgeon, he was a Guinness world record holder), “You're being terribly indiscreet” and in a tone of voice that I knew very well and found very provocative.

All he had to do was say those words in that tone of voice, and I knew there was no problem for Figueres. John was fully informed on what was going on and would never have countenanced anything like what Figueres feared. So, in a rage myself, I hung up the phone. I called Jaime Gutierrez and said something like, “You don't have anything to worry about. Forget about it. They're informed in Washington. Whatever is going on, it's nothing like what you're concerned about. Forget about it.” Crimmins, then concerned that I had misinterpreted what he had said, called the Ambassador to say that I may be operating under a gross misapprehension about what was going on.

The following morning (this was early in January of 1971), I was scheduled to go back to Washington for consultation in connection with my next assignment, although I was not supposed to leave Costa Rica until March, a terrible date, I might add, with three kids in school, but that's what I had negotiated with the Ambassador. So, I left, and the Ambassador would not let me come back. It got into the newspapers and was really a most unpleasant moment for the United States and for me personally, and for the Ambassador, too. As I mentioned, I knew the people in the government very well, starting with Don Pepe. A series of ads signed by ministers of the government appeared in the

Costa Rican newspapers containing nice words about me. At an Interamerican meeting at the National Theater that was presided over by the president and his wife, my wife was asked to stand with them in the receiving line, through which the U.S. Ambassador walked, in a very awkward moment. But I never did go back until after he left.

Q: Did this event take place?

HARRISON: Ambassador Stewart had gone out simply to caution Figueres. No, there was nothing. We were aware that Figueres had probably taken money from the Soviets when the Soviet Embassy was established. Our relationship with Costa Rica was very difficult while Ploeser remained there. He was unpopular with many Costa Ricans. But he left after about a year and Pete Vaky became the ambassador. I visited Costa Rica soon thereafter.

Q: But there was no move to change governments?

HARRISON: No, never. I knew there was no problem the moment I heard Crimmins. All that Breen had to say to me on the first phone call was, “We are fully informed on what's going on. Don't worry.” I would have simply gotten that message to Figueres and it would have been over. But it didn't work that way. Sad.

Anyhow, I went back to Washington. At that time, Herman Kleine was the assistant administrator for Latin America and I became his special assistant.

Q: Before we take that up, is there anything else on the Costa Rica program? You mentioned earlier that you started some work in family planning.

HARRISON: By that time, it was flourishing.

Q: It was going along reasonably well?

HARRISON: Yes. It was not just a question of a private association; the government was also involved. It was no longer so controversial an issue. The Church, as was the case in

most Latin American countries, chose not to make an issue of it. Indeed there were some priests who were supportive of it.

Q: Were there any other programs?

HARRISON: Yes. I've already mentioned the savings and loan project and highway maintenance. We were also involved in export promotion. The agricultural sector program took most of my time and energy. That included going back to Washington to defend it. We had problems with the Budget Bureau, who wanted to cut it into pieces. We finally got it through intact.

Q: Do I gather that the program was being phased down at that point or not?

HARRISON: No. Actually, it got phased up after the Nicaraguan revolution, substantially. Costa Rica in the 1970s continued its experience of bad economic policies, usually leading to significant devaluations, inflation and so forth. When the Nicaraguan revolution erupted, the neighboring Central American countries became a focus of high priority attention by AID, by the U.S. Government. Costa Rica, of course, is the southern neighbor of Nicaragua.

Q: We'll come back to those. But then you moved to Washington to work with Herman Kleine?

Assignment in USAID Washington Latin America Bureau - 1971

HARRISON: Yes, for about a year. The thing that I was most involved in at the time was the rescheduling of the Chilean government's debt. This is after the election of Allende in 1970. The deterioration of relationships between Chile and the United States followed that. The State Department tried to attenuate the growing hostility between Nixon/Kissinger on one side and Allende and his people on the other. The process of attenuation was very importantly influenced by Crimmins, who was still the Principal Deputy Assistant Secretary.

So, I was the AID representative on the interagency team that went to Paris several times.

Q: What was involved in the debt rescheduling at that time?

HARRISON: Of course, the Chileans wanted relief. The Chilean economic policies, which were highly irresponsible, in effect used up foreign exchange reserves in the short run with the certainty of high inflation and devaluation following. This, mind you, happened at the same time that the Chilean government was expropriating a lot of private property and pursuing policies and certainly rhetoric that were hostile to the United States, including welcoming a visit from Fidel Castro. They needed debt relief. By '72, they were in serious trouble. The IMF, which was the Secretariat for the Paris Club, wanted to put them on a stabilization program. Stabilization was the last thing that they were disposed to do because they had, in effect, purchased political advantage through expansionary policies. So, it was a long, drawn out process. I must have gone to Paris three or four times.

I did other things. I did speech writing for Herman and got involved-

Q: Did the rescheduling take place?

HARRISON: Yes, it finally did, but it was basically irrelevant. Within a year or so, the Allende government was overthrown by the Chilean military and the Pinochet government came in. I met their ambassador in Washington, Orlando Letelier, who was subsequently assassinated in Washington by a car bomb. I also met the poet Pablo Neruda, a communist, who was their ambassador in Paris. Have you seen “The Postman,” the Italian movie? You'll recall Neruda's role in it.

Q: What was the U.S. position on the debt rescheduling?

HARRISON: To try to follow the IMF, to try to encourage the stabilization programs.

Q: Did we have a substantial debt with Chile at that time?

Director, Latin American Bureau Program Office - 1972-1975

HARRISON: We had a fairly substantial debt, private and public. But my role as special assistant did not last for too long. I guess I was there for about a year and a half, and then I was asked to direct LA/DP, the Development Program Office for the Latin American bureau.

Q: What was the bureau organization at that time?

HARRISON: I would say that those were some of the best years for the bureau. First of all, Herman was a superb assistant administrator. He's an extremely fine person and he's also an extremely accomplished and adept and effective administrator.

Q: But you had this special organizational relationship with the State Department at that time?

HARRISON: Yes, we were still back to back with them, although not as much as we had been in the '60s.

Q: How did you think that worked?

HARRISON: I liked it. We got a lot of good Foreign Service people and learned a good deal about foreign policy. At that time, we started to separate some from the back-to-back relationship as the Alliance for Progress faded into history, but we were still considered part of ARA (that's the State Department Latin American bureau). I attended all the staff meetings. I was very much involved in the policymaking debates. LA/DP had some influence on some of the policies at the time.

Q: Such as - ?

HARRISON: We proposed going back into Haiti. This was after Papa Doc Duvalier's death. The level of poverty and human suffering was extreme, as it always has been in

Haiti, and we prevailed. We finally persuaded the rest of the bureaucracy that the timing was right. Dick Breen was by then the head of the Capital Development office and Donor Lion was the head of the office that dealt with interagency relationships. The three of us were good friends. So, the bureau ran very well.

Q: Did you find the LA/DR was a fairly independent operation?

HARRISON: Yes, but if we disagreed with them, we made our case. Often, Dick and I would go to Herman.

Q: You were involved in project reviews?

HARRISON: Absolutely. We had an excellent staff in LA/DP at the time. Some of the people included George Hill, whom you probably know; Bob Simpson, a really fine officer and person; Allison Herrick; Glenn Patterson was the deputy. We had a lot of fun in the office and we got a lot of satisfaction.

Q: Were there other policies that you were promoting other than Haiti?

HARRISON: Yes. I can't remember anything as dramatic as opening up a new country program. At the time, there was a major policy review on Latin America that we played an active role in. Let me see if I can remember what it led to. It led to the posture that was called the “mature partnership,” which was moving a little bit away from tutelage, from the deep involvement with Latin American governments - more arms length. Of course, appropriations were declining as well.

Q: So the Alliance for Progress was fading out at that point?

HARRISON: You still heard reference made to it, but it was now more than 10 years later and military governments prevailed in almost all of the countries. Growth, with the exception of Brazil, and to some extent, Colombia, and a few countries here and there,

was not appreciable. So, the Alliance was sort of dying as a result, in a way, of its own hyperbolic language and goals.

Q: It really was an exaggeration of what was possible; it was unsuccessful?

HARRISON: Limited success, let's say. Some important things like educational institutions were built. The idea of open economic policies had been planted. But this was now coming into the heyday of dependency theory and, increasingly, the relationship between Latin America and the United States was characterized as an adversary relationship. The metaphor was the dumbbell. We're at one end and they're at the other.

Q: Is that why the levels were decreasing?

HARRISON: The levels were decreasing, I think, importantly because of Vietnam. Maybe this was the period of basic human needs. But we were starting to see some of the development fatigue that has been with us for so long now, particularly in Latin America, because it was all supposed to be changed in a 10 year period and it hadn't changed.

Q: Another big thrust at that time were the sector programs. Did you have any direct experience with those?

HARRISON: Only the one I mentioned: the agricultural program in Costa Rica. But then we were encouraging sector programming at the time, comprehensive sector programming.

Q: Did you feel that approach was more effective?

HARRISON: I think it's more sensible, although we thought that we were doing something that was going to transform the country and it didn't happen. I would say that, generally, that has been the case with the AID activities that I have been involved in throughout my career. We did useful things. Some of them, particularly educational institutions, have endured and have produced important results, measured in terms of a steady stream of

trained people, in many cases with a quite modern view of what their societies should look like and some understanding of why their societies don't look that way

Views on United Fruit Company and development

Let me go back to one thing in 1964 that is relevant. Shortly after I got to Costa Rica the first time, I got an invitation from the United Fruit Company to visit their operations on the Pacific Coast, in the town of Golfito. They flew me down and I spent a day there. I've never believed in the Yankee imperialism explanation of Latin America's problems, but I surely went down there with a negative impression of what the United Fruit Company was because one heard so many bad things about it. I was really surprised by what I saw. I cite this in my new book. First of all, a banana operation is very impressive. It takes the jungle and transforms it into a very orderly, smooth working enterprise from the fields all the way out to the pier, where you have the complicated cargo handling equipment, banana handling equipment. But what I was most impressed by was the way United treated their people. Their salaries were generally twice the going wage in Costa Rica. They built very good housing for them, also schools, clinics, recreational facilities. It was contrary to everything that I had understood United Fruit was all about.

That visit made a very profound impression on me. Some years later, I learned a lot about the life of the guy who ran United Fruit from the early '30s well into the '50s. What I saw strongly reflected who this guy was. His name was Samuel Zemurray. He was anything but a Boston Brahmin that United Fruit Company was normally associated with. He was an immigrant Jew with little formal education who started with nothing except an extraordinary entrepreneurial talent in the Schumpeterian sense. When he was a very young man, he made a lot of money on the docks of Mobile, shipping bananas that were too ripe to get to the big markets in the north by rail to smaller markets in the south. He became fascinated by bananas and, with a lot of political infighting, got himself a farm in Honduras that became, by the judgment of many, the best banana operation in the world in the 1910s and '20s. Subsequently, he was bought out by United Fruit, which had been trying

to do him in one way or another. They finally decided the only way was to buy him out. He ended up as the single largest stockholder of United Fruit. He returned to New Orleans, which is where his several houses were, in part to engage importantly in an extraordinary philanthropic. It included some important political aspects. He was a liberal. He opposed Huey Long. He was an advisor to the New Deal. John Kenneth Galbraith remembers him very warmly as a former associate in the New Deal advisory group.

His United Fruit stock dropped sharply by 1932, in part because of the Depression, but in part because of what he judged as United Fruit's mismanagement (they ran everything out of Boston; his strong belief was that you had to be in the field). He went up to Boston to complain. He met with some Brahmins who were on the board. Throughout his life, he spoke English and Spanish with a thick Yiddish accent. He made his presentation and one of the Brahmins on the board said to him, “I'm sorry, Mr. Zemurray, I can't understand a word you're saying. Good day, Sir.” A few weeks later, he came back with the proxies to take over the company. He soon became the president and he ran it between the early '30s and mid-'50s. He was quite an extraordinary man.

I mention this because, in my new book, there is a chapter entitled “The Destructive Role of American Intellectuals (and the Savaging of United Fruit Company).”

Q: Interesting. But you found that they were a very positive force in development in Honduras?

HARRISON: Absolutely. That was my sense from what I saw. But in 1958, the National Planning Association (I'm sure that to some extent it was put up to this by United Fruit, but they're an independent and well thought of outfit) arranged with the former president of Ecuador and subsequent OAS Secretary General, Galo Plaza, highly respected by everybody, and a Dartmouth economics professor by the name of Stacy May , to do a study of the economic and social impact of United Fruit in the countries in which they operated. It's an exhaustive study. It basically says, a) there was no better way that

those land resources could have been used in terms of the interests of the countries than through these banana operations; b) the returns to the country in foreign exchange, tax payments, salary payments and so forth were very high; c) the profits of United Fruit were entirely reasonable; and d) that United Fruit was responsible for promoting a social revolution in terms of the way businesspeople treated their employees in the countries in which they operated.

Q: Was it a fairly paternalistic company?

HARRISON: The labor movements in Central America basically got their start by focusing on United Fruit. The company didn't love it. The native businesspeople didn't have to worry about it, but United Fruit made such a good target. They were big; they were foreign. There was an element of paternalism, but they did have a policy of encouraging nationals to rise through their ranks. You're talking about paternalistic societies-

Q: I mean, did they provide all of the social services: health, education, housing, all that?

HARRISON: They did.

Q: It was a total company town or community?

HARRISON: It was a total company town, but run almost in a utopian way. I mean, they took care of the people who worked for them - again, with higher salaries, housing, schools, clinics that they staffed, and recreation facilities.

Q: Were there opportunities for individuals to set up their own farms and run their own businesses?

HARRISON: Yes. Even back then, they did a fair amount of contract work. There were other banana companies operating: Del Monte and Standard, for example. But they took a fair amount from contracts. In the case of Guatemala today, virtually all of their production

(I think, all of their production) is from contractors. There may be some foreigners who also run operations.

Q: What was the political relationship and impact of the company?

HARRISON: In some cases, they were widely respected. One Honduran president made the public pronouncement, “If the United Fruit Company said that they were leaving, I would beg them on my knees to stay.” They got involved in politics, but that's, of course, what Latin American business is all about. I don't know if you've read Hernando de Soto's book The Other Path, but he describes an economic environment in which there are cozy relationships between business and government that favor monopolies. If you don't play that game, you're out of it.

Q: Did it have a positive influence on government policy?

HARRISON: I would say neutral. It did accept labor unions and it negotiated with them. It had the profoundly important effect of showing native entrepreneurs what the right way of dealing with employees was, what their responsibilities were. United Fruit got involved in the overthrow of the Guatemalan government in 1954. (That government had expropriated hundreds of thousands of acres of unused land belonging to the company.) But it's very difficult not to conclude that they were a highly favorable developmental instrument for the countries in which they operated.

Q: And this would be the case for the future?

HARRISON: Well, they continue to operate with benefits for those countries. In some cases, they buy from contractors, and in some cases they have their own farms. They, of course, are a different company today. It's now called “Chiquita International.” I should mention, by the way, that one of the philanthropic projects of Zemurray was the Pan-American Agricultural School in Honduras, which is often known as the “Zamorano School.” In 1941, Zemurray said, “We've taken a lot out of these countries. We really owe

them something." He set up this school at the high school level and it became among the best agricultural universities in Latin America. He did it with the stipulation that no graduate would work for United Fruit. He didn't want it to appear to be something that was beneficial to the company. His daughter (his daughter recently died in her eighties) told me that for some time, he took his salary check and simply transferred it to the school. She said that he had given away more than he had saved, than he kept for himself.

Views on economic integration in Central America

Q: What was your association with Central America economic integration?

HARRISON: From my first day in AID. As you'll recall, my first job in AID in 1962 was in the program office of the Latin American bureau. One of my responsibilities was Central American development programs, as well as security programs. At that time, in the early Alliance years, ROCAP symbolized our aspirations, if not the Central Americans' aspirations, for progress. A lot of resources and a great deal of hope was placed on ROCAP, which was the Regional Office of Central America and Panama. Subsequently, they changed that to Central American Programs, when it was clear that Panama would not be a full member. But I think there were many who hoped in the early years of the Alliance that the pace of integration in Central America would be so rapid that the bilateral USAID missions would wither away and that ROCAP would become a super mission. In fact, the ROCAP people over the years were very much driven by that view of things. Severe relationship problems developed in Central America as a result.

Q: Let's go back a little bit. Where did the idea of economic integration and the origins of ROCAP come from?

HARRISON: When Central America achieved independence (I believe it was in 1821), it had a couple of options. One was to annex itself to Mexico, which of course the Mexicans were interested in doing. Another was to set up a federation of the five Central American countries. Those are, of course, Guatemala, El Salvador, Honduras, Nicaragua, and Costa

Rica. Panama is not part of Central America in that sense. They chose the confederation, which lasted for about 13 years, if I remember, before it fell apart. So, for a number of Central Americans, particularly Central American historians, the idea of Central America had some important historic roots. You often see addresses in Central America, mailing addresses, in which the country is followed by “C.A.” That predates, I believe, the integration movement, which was officially inaugurated, I believe, in 1960. For example, one well known Nicaraguan writer, Salvador Mendieta, whom I consider particularly important because of the importance he attached to cultural values and attitudes, was promoting reunification of Central America early in this century, notwithstandingthe fact that you have some striking differences among the five countries. Guatemala is roughly half Indian, with a history of authoritarianism and exploitation that goes back, to be sure, way, way beyond 1954, the year of the U.S. intervention to overthrow the left-leaning Guatemalan government. Since 1821, Guatemala has been a country in which you've had a few rich, powerful people in cahoots with the military and some very extended military dictatorships. That's the one extreme in Central America.

The other extreme, geographically as well, in the South, is Costa Rica, which as early as 1821 was showing signs of moving towards a pluralistic society, certainly peaceful by Central American standards. Central American history is dominated by civil wars and interventions of one country in another. Costa Rica was substantially able to avoid that. Of course, it has evolved democratic institutions and a standard of living that is much higher than the other countries. So, you have those extremes, but you still have this idea of Central Americanism.

You had recognition on the part of the economic planners in the Alliance for Progress years and predating that, that these were very small economies and that they would probably do a lot better in terms of economic development if they were integrated. You also had an ideological conflict which is worth noting because it was sort of symbolic of the debate that was going on in Latin American economic policy circles over the last three or four decades. That's between the Economic Commission for Latin America, now

the Economic Commission for Latin America and the Caribbean, promoting a statist, planned, basically import substitution strategy, consistent with the views of Raul Prebisch, who was of course at the head of ECLA for many years. And the American view, which was more free market, more open economy, and so forth. There was, in the Central American integration context, a very direct conflict in the debate through which the Central Americans chose to decide how to structure their movement. The United States substantially prevailed, importantly because we were providing so much money. We helped to make the Central American Bank for Economic Integration a reality. We put a lot of money into other integration institutions, including the permanent Secretariat, health institutions, education institutions, and so forth. Of course, the principal conduit for all this was ROCAP. Economic integration proceeded quite rapidly in the 1960s, at least through most of the 1960s. There was a very substantial increase in intraregional trade. It then started to falter. This predates even the soccer war between El Salvador and Honduras and it certainly predates the civil upheavals in El Salvador, Nicaragua, and Guatemala. But basically, as the guy who is the head of ECLA's Washington office today, who's a Guatemalan, noted in a very penetrating book, the Central Americans were not prepared to make the sacrifices, the short terms sacrifices that were necessary for long term gains that would flow integration. Anyhow, that was the setting.

Coincidentally, I had, just before I went to LA/DP in 1972, been asked to lead a team that went through Central America to try to sort out all of these USAID jurisdictional disagreements and battles that had occurred over the years because of the view on the part of some that ROCAP should be a super mission. So, I had a very strong sense of the feelings of the bilateral missions about ROCAP, as well as ROCAP's view. It seemed to me that the bilateral missions were much more in touch with reality than ROCAP was.

Q: When was ROCAP set up?

Assignment as Director of ROCAP - 1975

HARRISON: ROCAP was established, I think, in 1961, the same year as the Alliance for Progress. I got there in late 1975. I had dropped out of the senior seminar to go down. We drove down, all the way through Mexico down to the Guatemalan border. In those days, it was safe to drive the Interamerican Highway from the Mexican border to Guatemala City. That has not always been the case. I went there with the strong feeling that ROCAP had overextended itself. I made a pledge to the bilateral mission directors that ROCAP would not do anything that did not have the full support of the bilateral missions.

When I got there, I did the same thing I had done in Costa Rica. That was to spend a lot of time talking to the staff and to other people, Americans and Central Americans, about what was going on in Central American integration. Out of those long conversations came the identification of one possibly significant lacuna in the integration program. That was in intraregional trade in agricultural products. Working with SIECA, the permanent Secretariat, we commissioned studies in each of the countries with quite prominent Central American professionals doing the studies. For example, in the case of Costa Rica, the professional who did the study, Eduardo Lizano subsequently became the president of the Central Bank. The result of the study was disappointing. It suggested that there was significantly more that could be done, but that it depended on a willingness to make sacrifices for the Central American integration that the Central Americans were not prepared to undertake, such as foregoing buying something somewhat cheaper in the world market to buy it in Central America. There was no strong sense of loyalty to the common market. With those results in mind and with the continuing deterioration of both the integration movement and the nations of Nicaragua, Guatemala, and El Salvador, (this was in 1976 or perhaps early in '77) I developed the recommendation that ROCAP be phased out. That did not represent anything like a consensus of the ROCAP staff, I will hasten to add. There were some people who were strongly opposed. Ron Venezia was one of them, if I remember correctly.

Q: Why?

HARRISON: Because he thought there was much more that AID could do. The usual explanations. We put a lot of money into it and so why not continue to keep it alive? A study team that was headed by a former ambassador, Tony Ross, I think his name was (he was my next door neighbor in Washington in the early '70s), came down to look at the issue. I think they came out supporting my view but it got caught up in the growing crisis in Central America in circumstances in which the U.S. Government, I think understandably, did not want to throw away any tools that might be useful in preserving peace in Central America. But I got taken out of that debate in the middle of 1977 when I was asked to go to Haiti. Scott Behoteguy got into trouble with Jack Anderson because he had a swimming pool in his house-

Q: This was in Haiti?

HARRISON: In Haiti.

Q: Before we go to Haiti though, let's wrap up on ROCAP. What were the results of 15, 20 years, up to the point you left, of ROCAP programs? Or was there not really anything significant?

HARRISON: You could say a few institutions. The Central American Bank was a reasonably viable, useful (particularly for financing infrastructure) institution. The permanent Secretariat, I don't know that it has played that significant a role, but the Central American common market continues to exist. All of the countries now have adopted economic policies which look much more outside than inside, so that the Central American common market has not been a dynamic instrument. But some of the institutions that have been supportive of it we helped. I think, if somebody did a cost-benefit analysis of this, it would not look very good. It's not just because of bad programming. Clearly, we were way out in front of the Central Americans. There can be no question about that.

Q: I recall that Central American integratiowas one of the great concepts of the time and it was picked up in Africa and elsewhere, being a model for other places.

HARRISON: It was going to be a showcase of the Alliance. But, not only were we well out in front of the Central Americans in this, we were quite naive about what the reality of Central America was and how far, for example, Costa Rica was prepared to go to open itself up to the relationships with these authoritarian, poor, ignorant (by Costa Rican standards) countries. That, of course, continues to be a brake on the process. The biggest thing now is that the inward looking policies are anachronisms and all five of the countries are looking outward for trade and investment.

Let me see if there is anything else about ROCAP. Let me make one more observation. It's an anecdote really. It has something to do with the book that I just showed you. When I came out of Costa Rica in early 1971, I started writing an article about Latin America and the United States that underscored how difficult it was for us to be in this tutelary posture that the Alliance for Progress implied and that predicted tough going in the hemisphere for some decades. Interestingly, it predicted the possibility of some kind of renaissance or rapprochement towards the end of the century, although not according to the scenario that actually worked out. At just the time I wrote it, Sam Huntington had started, along with one or two other people, “Foreign Policy” magazine. So I sent it to them and they published it. There is a paragraph in that article that is really my first articulation to myself or to anybody else of the growing sense I had that culture is at the root of the problems in Latin America.

When I was in ROCAP, I was invited to a meeting of prominent Latin Americanists from the American intellectual community at the Chicago Council on Foreign Relations. Towards the end of this, I said something that was upsetting to a number of the people who were participating. What I said was something like, “At the root of the problems of the individual countries in Central America are a series of institutional and even cultural problems that have gotten in the way of democracy and social justice and economic creativity. Those same properties or those same characteristics make it very difficult

to build a common entity among these five countries." A lot of people were very upset about that. But it was the second time that I had said publicly something about the cultural obstacle there—and in an integration setting as well.

Assignment as Mission Director in USAID/Haiti - 1977

Q: Let's go to Haiti. You can come back to that.

HARRISON: Scott Behoteguy was the Mission Director. There was an expose by Jack Anderson, that here in the poorest country in the hemisphere, the Mission Director had a swimming pool. The swimming pool was the size of a big bathtub. I saw it. But it became an embarrassment and Scott had to go. I think he retired after that in Florida and occasionally visited Haiti. So, my first problem in Haiti was to find a residence that would be suitable—modest and yet capable of handling large numbers of people at a reception—and that didn't have a swimming pool. I looked for months. By this time, two of my daughters were in prep schools in the United States. One was with me. And my wife was there, of course, as well. We lived in a transient apartment for about five months. We entertained Clarence Long in the transient apartment at Christmas time. Why he chose Christmas to come down, I'll never know. Anyhow, the reason was that we couldn't find a house that didn't have a swimming pool: most of the substantial houses in Port au Prince have a swimming pool. So, finally, we bit the bullet. We found a house that had a small swimming pool that I was just about to board over, believe it or not, at some considerable expense to the U.S. taxpayer, when a reasonable and courageous auditor came in and said, "Come on, this is crazy. Go ahead and use the pool. It's inconspicuous." The house was relatively small. It served our purposes. So, my first several months were importantly dedicated to finding a way to avoid antagonizing Jack Anderson. Very silly.

Once again, I spent the early months also trying to figure out what we could do that would stand a chance of making some significant dent on this long-standing tradition of acute Haitian poverty, acute exploitation, high levels of ignorance and illiteracy (that today even

may be as high as 3/4 of the population) and absence of institutions that could be used to move Haiti from what amounts to basically an uncivilized, inhumane society for most of its citizens towards some degree of modernization.

You'll recall that LA/DP was importantly responsible for our going back into Haiti after the Papa Doc years. When I got there, Baby Doc was in power. You didn't have to be a wizard to recognize that the government was being used in a number of ways to further his personal interests, including his personal financial interests. There were large gaps in the budget that were unaccounted for. It was clear that the military was taking a disproportionate share. It was clear that money was being diverted. There was no really coherent financial planning and budgeting process. This was the time when PL 480 Title III was legislated by the Congress. It offered the possibility of substantial new resources. So, I tried to orchestrate with the IMF and the World Bank and with the Canadians a big new package, an incentive package, to bring some sort of order out of this fiscal chaos and to reduce the diversion of national resources away from development purposes. The IMF and the World Bank were solidly supporting it. The IDB wouldn't touch it. The Canadians, the guy who was the head of CIDA in Port au Prince, wanted to participate, but he did not have the authority to commit the Canadian government. So, I went to Ottawa and talked to them about it. I actually mention this in my book. It became clear to me after a few minutes of conversation that they viewed me as an imperialist leaning on this poor country and this poor government. They did not want to have anything to do with it. This is an anecdotal symbol of the Canadian tendency to moralize about the United States. It seems to me that in this instance the morality was far from clear.

Q: What were you trying to do with the Title III program?

HARRISON: On the one hand, it was an incentive. “We will come up with, if I remember correctly, $125 million of additional assistance (it was not a threat to cut assistance) if you will open up the budget, open up the military budget, run through the budget resources that are captured by the regie du tabac (which took a lot of money from cigarettes and

matches and other stuff and which was funneled off to the Duvaliers and the military)." Of course, they resisted. In the process of pushing the program, I almost got PNGed. The Title III program also addressed some policies with respect to facilitating private investment, and the Minister of Commerce, who had lived in the States, took considerable umbrage at it. I got word that he had gone to the president to ask that I be asked to leave. We had a strong relationship with the then Minister of Agriculture. I told him about it and he was able to stop it. But it was clear that the environment was not auspicious for the Title III program, not if it in any way had biting conditions.

Move to USAID/Nicaragua under the Carter Administration and the Nicaraguan revolution - 1979

Shortly thereafter, the Nicaraguan revolution broke out. I had gone home for home leave and was visiting my brother in New Hampshire when I got a phone call from Washington, asking if I would go to Managua. Seeing nothing but frustration in Haiti, I was pleased to take on a new assignment. The AID mission was pulled and the Embassy was pulled when the fighting became intense around Managua. I arrived one week after the Sandinistas had been installed. This was in late July of 1979. There was no ambassador. Larry Pezzulo had been named and he was coming, but he arrived after I did. The guy that I was aware of was somebody from the Disaster Relief office of AID, who had come down to do an assessment of how much hardship there was and what needed to be brought in. Actually, I flew in on a Flying Tiger stretch DC-8 that was filled with food.

I just want to digress for one moment to a book that I came across while I was in Haiti. I read it in Spanish. It was lent to me by an Arthur D. Little professional who was a friend, a Cuban American. It was written by a Venezuelan by the name of Carlos Rangel. The title of the book was, in Spanish, From the Noble Savage to the Noble Revolutionary. It subsequently was published in English in the United States. All of these accumulating ideas on the importance of culture that I had built up over those years of working in Latin American countries were captured in this book. It gave enough coherence to my own ideas

that the idea of perhaps writing a book on the subject first entered my mind. I might add that Haiti is a country where culture is overwhelmingly apparent as the root of the problem. I should mention, by the way, that my new book is dedicated to Carlos Rangel.

Q: Your new book is titled what?

HARRISON: The Pan American Dream.. So, culture was on my mind when I went to Nicaragua, too, although I didn't have much time to think about those things after I got there. The basic posture that we adopted (and Larry Pezzulo did a really superb job in orchestrating it) was to show these leftists that they were wrong about the United States. We would show them that by doing everything we could to be helpful to them. This, of course, was during the Carter Administration, and there were still a large number of people, mostly Democrats, who were unhappy about the way the first months of the relationship between president-elect Allende in Chile and the U.S. Government was handled, and the general hostility that characterized that relationship. We were going to make sure that that was not repeated.

So, it really fell to me importantly to produce all of the things that they needed of us to make the revolution work according to what they said it was going to be, which was a pluralistic revolution, a mixed economy, and non-alignment. At the start, we were heavily involved in emergency food distribution. When I got there, the U.S. policy had been to go through the Red Cross. The Sandinistas came to me and said, “We think this is unseemly. We're the government now and we'd like to handle it.” We did it. We distributed it through the government, taking it away from the Red Cross. We provided a lot of financial assistance. Very quickly, we got a substantial grant and we started building towards a large program for a small country like that, $75 million. It was designed in its fundamentals during the visit of Sid Weintraub, who was an assistant administrator. He came down for a few days, and he and I drove around the country and talked to a lot of people. We came up with that package. This was late in 1979. I also developed close working relationships with a number of the Sandinistas, foremost among them the leader

of the proletarian wing, Jaime Wheelock, who was the Minister of Agriculture and Agrarian Reform. I remember, towards the end of 1979, hosting a dinner in my home for a group of renowned experts, mostly of the Left, whom the Sandinistas had brought in. We arranged a relationship between the University of Wisconsin Land Tenure Center and Wheelock's ministry that unfortunately brought to Nicaragua a Jesuit who was highly sympathetic to the Sandinistas and very anti-imperialist himself, which led to some difficulties. In any event, I think we did a really very good job. I take my hat off to Pezzulo, who was extremely creative.

But the reality was, and it's one that we simply couldn't really do anything about, that in the minds of the Sandinistas, what they said in their anthem (which was only very recently changed), “We will fight against the Yankee, enemy of humanity” was what they really thought. They were convinced that Nicaragua's history of poverty, authoritarianism, injustice, inequitable distribution of income, land and opportunity, was the consequence of Yankee imperialism. As you know, we had intervened in the early part of the century at the time of the First World War. Nicaraguan history, long before the U.S. was involved, is filled with the antecedents that told some Nicaraguans what the real problem was. This guy I mentioned, who earlier in the century wrote about the reunification of Central America, Salvador Mendieta, wrote a brilliant book in the first decade of the century entitled The Sickness of Central America. It was a cultural interpretation, with a whole set of prescriptions about what to do to change the culture, importantly focused on child rearing practices. Anyhow, we tried to do everything we could to make the relationship work. But they couldn't live with a positive image of the United States. We were at the root of their problem.

Q: Did you feel hostility in your day to day relationships?HARRISON: In some cases I did. My problem was particularly acute in that regard because it became apparent that they were convinced that I was the CIA station chief, which led to a lot of unpleasantness, including efforts to penetrate my personal staff at home, quite possibly successful efforts to

recruit my chauffeur, growing hostility on the part of some of the Sandinista officials that I dealt with. Total nonsense, but...

Q: But they accepted the assistance?

HARRISON: Oh, absolutely. Absolutely.

Q: And what it was used for? How was it used?

HARRISON: Part of it was used to sustain the balance of payments and the budget in the face of economic policies that were increasingly irresponsible. This followed Allende's failed policies. We did a lot of project work as well, in education, health, and agriculture, for example. We tried to bring in large numbers of Peace Corps volunteers to work in education. The Cubans had sent in hundreds of Cuban teachers. We finally did get a Peace Corps co-director and his wife in, but the Sandinistas would never let any volunteers in. We were responsible for feeding large numbers of people. There's no single thing that was done. Let me put it this way: we succeeded in presenting the best possible face that the United States could to a government that was convinced that we were devils, notwithstanding our pretty faces.

They were clearly involved with the El Salvadoran guerrillas. We did get the $75 million appropriation from Congress after a very tough struggle. Pezzulo and I went to Washington repeatedly to lobby for it. But the Congress put on a condition which was a killer, and that was that, if there was any evidence that the Sandinistas were helping the guerrillas in El Salvador, the $75 million loan would be called and they'd have to pay it at once. In the fall of 1980, it became apparent to our intelligence that the Sandinistas were deeply involved. James Cheek, who was then the Deputy Assistant Secretary of State for Central America and who had worked in Nicaragua and had impeccable liberal credentials (he is today our ambassador in Buenos Aires), came down to tell them that if they didn't cut it out, it was going to lead to a confrontation. They didn't cut it out and, in his last days, Carter almost cut off assistance himself. When Reagan came in, there was

a genuine effort made to try to work out something. When the Reagan Administration, in April of 1981, felt compelled to do something, what they cut off was quite limited and they left a lot of other things going. There were continuing efforts to try to work out some modus vivendi that would avoid confrontation. The Sandinistas couldn't deal with that.

Q: Apart from the hostility of the Sandinistas towards the United States and American "imperialism," were there particular views about the Sandinista's development policies or strategies or reform?

HARRISON: The whole idea of redistribution in the Nicaraguan setting was something that we were sympathetic to, the whole idea of, for example, the crash literacy campaign. You can say about the Sandinistas what you often hear about Fidel Castro, who was, by the way, their principal mentor (he came to Managua while we were there and was treated like a god), that is that what they wanted to do about the inequities in the society with respect, for example, to health and education were laudable. They were Marxists. To this day, some of them still are. It was government that was going to be the principal instrument of change. There would be a small private sector that was going to be very tightly watched and even controlled by government. The whole idea of sane fiscal policy, monetary policy, was alien to them. I remember, shortly before I left, which was in July of '81, that it was apparent to them that they were having serious economic problems. We offered, consistent with our basic posture, the best economic advice that money could buy in the United States. They rejected it and preferred to take their economic advisory team from Bulgaria.

Q: Obviously, they didn't trust us and our views.

HARRISON: Well, it was stronger than mistrust. It was a deeply rooted emotional enmity. We had a real problem just before the vote on the $75 million package that was to take place in Congress. A couple of the Centrists left the government junta, which was outside the military directorate of the Sandinista party. It included a businessman and Violeta

Chamorro, who is currently the outgoing president. The businessman was attacked rhetorically by the Sandinistas. It led to a crisis. Quiet negotiations took place that were supposed to put the revolution back on the centrist, pluralistic track, the results of which were supposed to be confirmed in a speech that was to be made at the ceremony marking the completion of the literacy program.

The literacy program, by the way, turned out to be substantially a hoax. The Sandinistas announced, “We have now achieved 99% literacy” or something like that. The reality is that today, I think, the World Bank estimates show something like 66% literacy. In any event, we put some resources into the literacy campaign. The Ambassador and I were invited to the ceremony. This was the ceremony in which a speech was supposed to be made confirming the arrangements that had been negotiated with the opposition. Instead, what we had was a diatribe by Humberto Ortega, who was the brother of Daniel Ortega, who subsequently became the president—an attack on the United States. A flat out attack on the United States. It was so violent and so repugnant that both Pezzulo and I—we were seated in different parts of the platforms that had been arranged for the event—walked out.

Q: Apart from history, do you have any understanding of why this hatred? Was it a genuine ideological view or was it a power play?

HARRISON: You have to understand that it was symptomatic of the Left throughout Latin America. You can find roots of it going back to a book that was published by an Uruguayan by the name of Rodo in the early years of this century, the title of which is Ariel, that took the characters from Shakespeare's “The Tempest” and presented Latin America as beautiful, spiritual Ariel and the United States as money grubbing, ugly, materialistic Caliban. Most of the intellectual activity in Latin America in this century has gravitated around Marxist- Leninist ideology. This, of course, was central to dependency theory. “We're underdeveloped because the United States is rich and they've gotten rich on us.” Where you have the ostensible evidence of an intervention, as in Nicaragua, our alleged

support of the Somoza dynasty and so forth, it becomes deeply rooted not only in your intellect, but in your emotions and you develop very intense resentments. That was the case. There were a large number of Dominicans in the Dominican Revolution who had similar feelings. We also had intervened in the Dominican Republic.

Q: Did this have a religious aspect at the time?

HARRISON: In the case of Nicaragua, you had a splinter anti-Rome left wing group that embarrassed the Pope when he came to visit in the 1980s. You had a couple of priests who were Ministers in the Sandinista government. They basically were of the liberation theology wing of the Church. I believe that part of the authoritarian view of the world that has characterized Latin America since before independence has been influenced by the authoritarian traditions of the Catholic Church. The Church is quite different today, particularly at a time when there are very substantial Protestant incursions that are being made in Latin America. But a lot of the Sandinistas, and Fidel Castro, too, I believe, were educated in Church secondary schools, some of them in the Church primary schools as well. Anyhow, it was extremely frustrating. I mean, we went in with the very best of intentions. What we basically ran into was the same fundamental misdiagnosis of a national pathology as Fidel Castro's. All of Cuba's problems were the Yankees. All of Cuba's problems were, in reality, deeply rooted in Ibero-Catholic culture. The way he has run Cuba since underlines the continuities of that authoritarian, intolerant culture. He's a representative of it.

Q: We'll come back to that a little more, but are there any more specifics about the Nicaraguan experience?

HARRISON: In terms of development programs, we were much more involved with solving problems. It was very difficult to do any kind of long range development work within a policy structure that was so strongly influenced by Marxism, by statism. They had a number of emergencies that we responded to. There was a major flood on the

Atlantic coast, and we brought in all kinds of help for that. We were their principal source of assistance for the first 18 months.

Q: Were there other donors involved?

HARRISON: Sure. The Europeans became enchanted with the Sandinistas, as many of them were with Allende. So they put up fairly significant amounts of money. The IDB did. The World Bank did some. The IMF was not involved very much. The very limited degree of their involvement in economic policy became apparent from the galloping inflation that was experienced. When we arrived, it was something like seven or eight to one and when we left it was hundreds of thousands to one. That was in a two year period.

I left almost exactly on my second anniversary. I arrived in July of '79 and I left in July of '81. Tired and frustrated and now convinced that culture was at the root of the problem. I was now within nine months of my 50th birthday. Otto Reich was the assistant administrator for Latin America in the Reagan Administration. I'd spent some time with him before. He's a Cuban American who was very sensitive to the ideas that I was talking about with respect to culture. So, I was permitted to start at Harvard in the fall of '81, I think, because they judged that what I was doing there wouldn't be developmentally useful.

A sabbatical at the Harvard Center for International Affairs - 1981

Q: This was at the Center for International Affairs?

HARRISON: Yes, exactly.

Q: Were you part of the fellows program?

HARRISON: No, I was a visiting scholar. I came back to work in AID/Washington in January and February on a private sector symposium that the Latin American bureau sponsored. But by that time, I was already quite deeply into the writing of my first book. I retired on my 50th birthday. I remember, at the retirement party, reviewing all the,

basically, failures of what I had tried to do over my career and summarizing with the comment, “I'm astonished at what passes for a successful career in AID!”

Q: Well, that covers your career with AID, right?

HARRISON: Yes.

Q: Did you have consulting assignments after that?

HARRISON: Yes. I did consulting work perforce. I had, by that time, two daughters in private universities in the United States and one in Canada. My ex-wife, who is an anthropologist, was working and I was working. I was trying to write a book at the same time. But I did a fairly substantial amount of consulting, mostly on project evaluation in the Caribbean and in Central America.

Q: Any significant work in that - I mean, the findings or observations that came from that?

HARRISON: No. I wrote the book between '81 and '83 and it was published in '85 by the Center at Harvard.

Q: We'll come to the books in a minute.

Retirement and work with CLUSA - 1984-1988

HARRISON: Okay. In 1984, I came back to Washington to work for CLUSA. They changed their name after I got there to the National Cooperative Business Association. But I worked there between 1984 and 1988 as the vice president for international development. My role was to promote the cooperative structure of organizing private enterprises in the Third World, not just in Latin America, of course. So, I did a lot of traveling for them.

Q: How did you find their approach or that kind of instrument for development?

HARRISON: I found it often inappropriate. Cooperatives often work only if they have legislative advantage conferred on them. Some kind of tax advantages. This is true, for example, of credit unions. Credit union legislation is highly favorable to credit unions. It was also true of the rural electric cooperatives in the United States. This is not to say that they necessarily need that, but what you do need is an environment in which cooperation is spontaneous among people who are supposed to cooperate. Of course, in Latin America as well as elsewhere, the absence of cooperation, often related to a family focus, beyond which people don't trust people, is very common. So, it's tough going almost by definition. There are a few exceptions. Costa Rica has probably done better with cooperatives than most Latin American countries. It's done better with democracy, I might add, than most Latin American countries.

Q: Is there any other place where they seem to work?

HARRISON: Cooperatives are working fairly well in Chile, which has some historic characteristics similar to Costa Rica. They work, I think, fairly well in Argentina, very importantly because you've got high levels of literacy, if not strong cooperative traditions. I made a very telling visit to Thailand and the Philippines in the summer of 1984. I ran across well informed observers of the cooperative scene in both countries who made almost identical judgments about why cooperatives didn't work well. As they said, Thais or Filipinos tend to view the world in a very hierarchical way. They are very mistrustful. Those things don't facilitate cooperative enterprise. It was very interesting because, in the case of the Philippine situation, the guy who said it was the grand old man of the Philippine cooperative movement. He went on to say, after complaining about hierarchy and mistrust and so forth, “This is our legacy from Spain.”

Views on the Contras and the Sandinistas - 1985

Anyhow, during those four years, I also did a fair amount of writing, particularly of articles for The Washington Post, on Central American issues. By that time, the Contra

phenomenon had reared its head. I'm a lifelong Democrat. I supported aid to the Contras. I also had the very gratifying experience of seeing the first book make some impact. It was published in 1985.

Q: We want to come back to your books in a minute. But on that particular point, your support for the Contras, this grew out of your Nicaraguan experience?

HARRISON: Yes.

Q: And what you understood about the government?

HARRISON: Yes. Yes, I believe that there was no way short of armed conflict of stopping the Sandinistas from making a Cuba out of Nicaragua and possibly extending their revolution to other countries in Central America - not just El Salvador, but possibly Guatemala, which is the country in which social rigidity is the greatest, in which the injustice is the greatest. I feel I was right about that, by the way.

Q: Do you think that the Americans' fear, the Administration's fear, of Nicaragua and the Sandinistas was well founded in terms of a threat to the United States and to the region and so on?

HARRISON: Yes, I do. I think the Administration may have exaggerated it and some of their rhetoric was vastly excessive, but there was enough of a threat. Also a threat to Central America's hopes for a democratic-capitalist future. There was enough evidence of a Cuban-style structure of controls that would keep them in power that I saw no other way out.

Let me add that, a few years later (this was in '90 or '91), I did some consulting for AID in Nicaragua to design a democratization program. I did it with a Costa Rican, Farid Ayales, who had been Oscar Arias's ambassador in Nicaragua. Arias, of course, won the Nobel Prize for his role in bringing about the Nicaraguan elections. Ayales, who is currently the

Minister of Labor in the Figueres government in Costa Rica, said flatly, in an article that he subsequently wrote, that Arias would never have gotten the Nobel Prize had it not been for the Contras, because it was the Contras that forced the Sandinistas to accept the elections. I believe that's substantially true.

Views on AID as a development organization

Q: We'll return to your books in a minute, but let's wrap up this career in AID. What was your experience of AID as an agency, what it was trying to do, and its development policy or lack of it over those years you were there?

HARRISON: In the early years, it was really a very exciting place to be, particularly in Latin America. The fatigue started to set about the time Moscoso made his speech in 1966. By the time I came out of the Dominican Republic in 1968, I was experiencing some of the symptoms of fatigue. Fatigue in the sense of “We've miscalculated. The problems are so vastly greater than we thought they were.” But, in terms of a place to work, resources available, support from the White House and other Executive departments, it was a wonderful experience. It was also a wonderful experience to be so intimately linked to the foreign policy apparatus. As you know, we had this sort of marriage with ARA, with the Latin American bureau of the State Department, in which a lot of AID people served in diplomatic functions and a lot of diplomatic people served in AID functions. That was an enriching experience. I personally have never found the conflict between foreign policy objectives and AID objectives to be nearly as oppressive as some of my colleagues have.

Q: I was going to ask you, did you feel that the foreign policy objectives, political, security interests, impeded the development effort or reinforced it?

HARRISON: From my point of view, it was a very rare case where there was a conflict between the short term political objectives and the long term development objectives, importantly because, if you didn't solve the short term problems, you could forget about the long term problems. People can say, “Well, in Nicaragua, you didn't focus on long term

development.” That's nonsense. Our problem was, first of all, to try to rebuild a relationship with a hostile government; second of all, to make sure that human suffering was reduced as much as we possibly could; and to do whatever building of institutions was possible within that.

Views on institution building and culture in development

Let me digress for just a moment on the whole question of institution building. It gets back to my cultural obsession, but indulge me, if you will. I think we kid ourselves a lot about institutions and our ability to strengthen institutions beyond a certain point. Institutions are a reflection, after all, of what a society is all about, what it thinks is important, what it thinks is unimportant, the way it views human relationships, the way it views the role of government, the way it views relationships between private sector and public sector and so forth. In Democracy in America, Tocqueville makes a compelling case that institutions are ultimately limited in their capacity by the “customs” of the society. In a relevant case, you can take the military forces of Haiti, the Dominican Republic, and Nicaragua in the early part of the century; conclude (incorrectly, in my view) that all of the violence and the instability that they caused is at the root of the problem; you can send in the U.S. Marines and train them over a period of 10, 12, 14 years to become professional military forces under civilian control; and when you leave, this great institution building process will quickly revert to a platform for dictatorship, which is exactly what happened.

Q: You would say the same for educational institutions, research institutions, universities...?

HARRISON: The educational institutions are the great hope, as I suggested earlier in this conversation, because they can help bring about these changes in values and attitudes that are so central to real progress.I'm reminded of the case of an American with very little experience in Latin America who's now a dean at INCAE, the business administration institute in Costa Rica. He's a former Arthur D. Little official. He's giving a course on

something related to entrepreneurship at INCAE. In one of his first sessions, he described how a very successful American entrepreneur had started at the very bottom in the stock room and worked his way gradually up to top. He sought the reaction of his students to this way of going about a career. Roughly 1/3 of them said, “I would never do that. It's below my dignity to work in the stock room. I am, after all-” So, the problem is there. The people who attend the Zamorano School in Honduras tend to see the world differently, maybe very differently from what has been the case for people in comparable Latin American schools where there is less U.S. influence So, those institutions are in my view the most important things that AID has been associated with over the years.

Q: Would you say, by and large then, that the institutional, educational aspects of the foreign assistance program in Latin America over the period that you were engaged, now that you're able to look back on it, were unsuccessful?

HARRISON: No, I wouldn't say unsuccessful. I would say was substantially less successful than we had hoped, and that the principal reason that that is the case is because we had not been aware of the burden on development that culture places.

Q: But there were some positive contributions?

HARRISON: Absolutely. The money that's gone into infrastructure has been useful. The money that's gone into education, generally, I believe, has been useful. The money that's gone into family planning has been useful. And into health. But we have very few cases of transformed societies in Latin America, maybe one—Chile—and we cannot take the credit for that.

Q: That was one of our hopes, to transform societies?

HARRISON: Within a 10 year period. Done by 1971.

Q: Our expectations and visions were relatively grandiose.

HARRISON: Yes, and unrealistic.

Q: And it wasn't an issue of resources. It was more a matter of understanding.

HARRISON: Absolutely.

Q: Let's turn to your books and come back to some of these questions, unless there's some particular point about your experience.

HARRISON: Let me just mention one thing that doesn't have to do with the books that I was involved in that is relevant to this, in a way. When Jean Bertrand Aristide was ousted by the Haitian military in the fall of 1991, the Organization of American States formed an emergency team designed to restore him to power, headed by the former Colombian Foreign Minister, Augusto Ramirez Ocampo. I was asked to be the American member on that team. So, I worked the Haitian crisis for about six months, in later '91 and early '92. That was another experience that screamed “Culture!” Aristide has been, on occasion, lionized as a great Haitian, but a good deal of the crisis was attributable to his abuse of power when he was the president. I went back to Haiti several times with the team and was reminded again of how difficult the problems of Haiti are, even with high levels of assistance, high levels of technical assistance, because of the legacy of the slavery experience and African culture and the voodoo religion. We finally worked out a solution that everybody agreed to at the OAS building here on 17th Street (March, I think it was, of '92) and it collapsed a few weeks after that. That was the end of my association with the Haiti crisis, although I did write an article that appeared in The Atlantic on Haiti.

Q: Was there any particular background of why that didn't work out?

HARRISON: It involved forcing Aristide to accept as his prime minister the head of the Communist Party, an excellent guy, Rene Theodore, whom he viewed, I think, as a

potential rival. He signed the agreement and subsequently worked, I believe, to undermine it.

Writings on development and concluding observations

Q: Let's turn to your books. You were talking about your first book. What was the title of that?

HARRISON: The title of it was Underdevelopment is a State of Mind: The Latin American Case. The subtitle was “the Latin American Case.” I wrote it in about 18 months. I got the title in the last months of writing the book from a Peruvian intellectual who had made a speech at a UN symposium in Geneva, in which he said, “Underdevelopment is a state of mind.” Particularly appropriate for today, I might add. I don't know if you've heard the news, but a reception at the Japanese embassy in Lima, Peru, was infiltrated by terrorists and they are now holding a good part of the diplomatic corps hostage to the release of some of their colleagues. I assume these are Sendero Luminoso crazies. Hard to believe that there are hard-core Marxist guerrillas in 1996, still engaged in this kind of activity.

Q: But the basic theme?

HARRISON: The basic theme is that, at the root of Latin America's problems are a set of values and attitudes that get in the way of political pluralism, social justice, and economic creativity. These include a focus on the present and the past, rather than on the future; a very hazy idea of progress; a very ambivalent attitude about work; a low priority attached to education; very little concern with questions of merit, much more concern with family relationships, friends, connections; a very limited sense of community that is substantially confined to the family; an ethical code that is quite flexible; a belief in unfettered authority; a commitment to orthodoxy - heterodoxy is heresy in this kind of environment.

Q: Are you talking particularly about the ruling group, the dominant group or all classes?

HARRISON: It really applies to all classes. The dominant group is the banner carrier of the culture. But what you find very often is that when some people oust an elite, as in the case of the Sandinistas (there were a lot of elite elements in them, but there were also a lot of middle class and lower than middle class elements), then when the revolutionaries get power, they behave with the same abusive disregard for due process, fair play, decency. There are some very strong parallels between the conduct of the Sandinistas and the conduct of the Somozas

Q: Are there other dimensions of the point you were making in your book?

HARRISON: Those are the principal ones. In the first book, I tried to explain how culture influences development. There's a schematic that gives detail to that relationship, which holds up well today. Basically, I believe that what makes development happen is human creativity. It is the nurturing of that creativity that is the measure of a successful society, a successful culture. In Latin America, human creativity has been suppressed. Not only that in the sense of denied opportunity, it's been suppressed, but it has also been suppressed in the sense of very limited access to education facilities, health facilities, as well as the authoritarianism that one encounters in the home, in the church, in the school, in the government, in the workplace—that, coupled with the excessive individualism which has been so characteristic of Iberian societies, whether it's expressed through the individual or the extensions of the individual like the family or the personalistic political party.

Q: Do you think the book had some impact?

HARRISON: Yes, it has. Ironically, I had great difficulty finding a publisher. It was turned down by about 20 publishing houses. Finally, the Center for International Affairs at Harvard, which publishes occasional books, said they'd publish it. As you can imagine, writing a book and trying to find a publisher and not finding a publisher is a very unhappy experience.

Q: I can imagine. Was it turned down because of the content or the theme or what?

HARRISON: You know, it's very interesting. Part of it was because of the controversy of the theme. I'm sure of that. One publishing house, Princeton University Press, in effect said, “This is unspeakable. How do you expect us to publish something like this?” They didn't put it in that strong language, but it was fairly strong, the message. I will digress for a moment to say that I got a great deal of satisfaction when the Princeton University Press expressed interest in publishing my latest book.

Q: We'll come back to that.

HARRISON: The Center said, “Okay, we'll publish it.” They had a copublishing arrangement with the University Press of America, out here in Lanham, Maryland. It got published in 1985. It started selling. There was virtually no promotion of it. Sidney Kramer's bookstore sold many, many hundreds of copies of that book, maybe even as many as 1,000. A lot of people, I think, more in the closet, said, “There's a lot of truth in this.” Today, it still sells. There are four Spanish language editions. There's one Portuguese edition. It has sold a good deal more in Latin America than in the United States. Whereas, in the U.S. academic community, I continue to be, more or less, a pariah, in Latin America, I'm very much in demand.

Q: Why is that, in the American community?

HARRISON: For reasons that I mentioned before. The ideas are so traumatic for those who have lived a professional career within the confines of either institutional or dependency explanations of Latin America's failures. And also because it sounds like racism. I had the experience of discussing these ideas with a professor of political science and international relations at Carlton University in Ottawa, where I lived for six months while my wife was attending cooking school. She said, at the end of it, and she was obviously emotionally affected by the conversation, “You know, these kinds of ideas led

to the death of 6 million Jews." Well, I'm Jewish and I was more than a little bit taken aback by her comment. What I'm saying is that some cultures do better for human beings than others. Some cultures make it more possible for people to reach out for life, liberty, and the pursuit of happiness than others. Some cultures in that sense are better than others. Of course, for the anthropologists and other social scientists who believe in cultural relativism, what I've just said is heresy. Of course, for the economists, who believe that it doesn't make any difference what the culture is as long as you get the economic signals right, what I've just said is heresy or stupid or maybe both. So that's where the root of the difficulty is.

But in Latin America, where so many people are now asking themselves, "Well, if the Yankees aren't responsible for our being so screwed up, why are we so screwed up?" there is almost no other way of explaining it. So you now have a large number of Latin American intellectuals, politicians, businesspeople, who are saying, "Harrison was right."

Since I left AID, I have done a number of speaking trips in Latin America sponsored by USIA. In 1995, I spoke in 13 Latin American countries. The receptivity to these ideas was astonishing. Those speaking trips led to the identification of a network of Latin Americans many of whom were quite prominent - Mario Vargas Llosa, the novelist, is one of them, by the way - that in turn resulted in a three day symposium that INCAE sponsored last June.

Q: You didn't meet any groups opposed to your ideas at that time?

HARRISON: When I first went down in the '80s, there was a lot of hostility.

Q: Were you doing a speaking tour?

HARRISON: In this most recent one, there was only one case. That was in Tijuana, Mexico. There's an institute there that is a think tank for the Partido Revolucionario Institucional, the PRI, - the one-party dictatorship, as I sometimes have referred to it - that has run Mexico for the last 60 or 70 years. In my presentation, I had very few good things

to say about that kind of political monopoly and I had a lot to say about the cultural roots of the problem. Interestingly, I had said these things in some left-leaning institutions in Mexico City, where I was introduced by a prominent Mexican intellectual. His comment following what I had to say was, “Fifteen years ago, Harrison's presentation would not have been possible here.” But at this place in Tijuana, they got very upset, really upset. One asked, “What about United Fruit Company?”

Q: Well, then you went on to another publication?

HARRISON: I finished Underdevelopment Is a State of Mind in '83, and in '84 came back to take the NCBA/CLUSA job in Washington. Between '84 and '88, Underdevelopment is a State of Mind was reverberating. So, I was encouraged to write another book. Underdevelopment is a State of Mind principally looks at how culture gets in the way of progress. So, I tried to focus the second book, which was titled Who Prospers? on how culture can promote progress. So, a fair amount of it is focused on East Asia. I traveled in Japan and Korea, Hong Kong. I read a lot.I also looked at the impact of immigrants in Brazil as being an important explanation of Brazil's economic dynamism. I looked at the performance of immigrants in the United States from Mexico on the one hand, from Korea, Japan, Taiwan, Hong Kong on the other. I drew some very controversial conclusions about the varying performance of those immigrants - conclusions which are borne out, by the way, by a recent Rand study of the 1990 census data—a very important study that has turned Rand's views on immigration around.

Because of the relative success of the first book, I was able to interest Basic Books, which is a Harper Collins affiliate, in Who Prospers? How Cultural Values Shape Economic and Political Success. I went back up to Massachusetts in 1988 after I finished at CLUSA. I've lived there since. I reactivated the arrangement with Harvard, spent two years there and wrote the book. It was published in 1992. It has had less impact than the first book, certainly in the United States. The sales of the English edition were something like 65% of Underdevelopment is a State of Mind. There is only one Spanish edition, but it has

sold a lot of copies. It's in Buenos Aires. Interestingly, there's one Chinese edition out of Taipei. I had hoped that Who Prospers would make a substantial dent and it didn't. It was disappointing. It's such an ordeal to write a book. There's some fun in it, but there's also a lot of boredom and a lot of drudgery. So, I said to myself, “I'm never going to do this again.” But I did.

Q: You went on to your third book?

HARRISON: Yes.

Q: What was the title of that?

HARRISON: It's one that will be formally published on January 15th, but it's already in the bookstores. I will be at Kramer's tomorrow, signing copies. The title is The Pan American Dream. Basically, it started with the idea of doing a second edition of Underdevelopment is a State of Mind. One thing led to another. Instead of doing an updating of the earlier book, Basic Books convinced me that I should do a brand new book. So, I returned to the Center for International Affairs. I was there between '94 and this past summer, writing the book. This was importantly facilitated by USIA-sponsored speaking trips in Latin America and Spain. It's quite timely because it's just exactly two years ago that the so-called “summit” of the Western Hemisphere presidents took place in Miami. NAFTA was effectively kicked off with something of the aura of the Alliance for Progress. “In 10 years (a magic number), by the year 2005, we hope to have in place a European Union in the Western Hemisphere.” Once again, we have let our exuberance and our lack of realism get out of hand. That, of course, is abundantly apparent in what happened in Mexico within weeks after the Summit of the Americas. Many have asked the question “What does the Mexican crisis really signify?” Most of the economists, including Deputy Secretary Summers, explained it as a clumsy handling of a devaluation. The point that I'm trying to make in this is that explaining the Mexican crisis as the consequence of a clumsy devaluation is like trying to explain the collapse of the Ottoman Empire as the consequence of a clumsy devaluation. You have

a corrupted society, a society that in no way approximates the democratic credentials that the Europeans insist on prior to entry into the European Union. What you have, of course, is symptomatic of what you have in varying degrees of intensity in other Latin American countries.

But the book starts with an explanation of why the two civilizations in the Western Hemisphere have evolved so differently. Basically, I trace it to the contrast between Anglo-Protestant and Ibero-Catholic culture, which of course is going to upset some people. But it's not a pessimistic book.

Q: Why is that?

HARRISON: There are some reasons for optimism. Chile is a case in point. Chile should have been our first partner in NAFTA. It does have the democratic credentials. It has democratic capitalist traditions that are more deeply rooted than in most other Latin American countries, notwithstanding the Allende/Pinochet period. It has in place the economic policies that permitted it to weather the collapse of the Mexican peso better than virtually any other Latin American country. And Latin America is changing. Values and attitudes have nothing to do with genes. They are learned by kids from their infancy. There are a number of people in Latin America who are trying to do something about ending this transmission of destructive values and attitudes generation after generation. So, laying aside the timetable that was established in the 1994 summit, which was highly optimistic, Western Hemisphere economic integration is something, as I conclude in the book, that's worth working towards. But it depends very heavily on the Latin Americans themselves, and particularly their political and intellectual leadership, recognizing that traditional values are an obstacle and doing something about it.

Q: Does a foreign assistance program or foreign policy have anything to do with it to contribute to this?

HARRISON: Yes. There's a section in the last chapter that suggests what this implies for the U.S. Government, for the World Bank, and the other donors.

Q: Basically what?

HARRISON: Basically, a much heavier emphasis on education and educational reform; research on traditional child rearing practices and what can be done to change them; possibly courses in parenting for prospective and young parents (this is something I think we should be doing in our own society); working with businessmen at business schools and business associations to help them to understand what they can do to liberate the creativity of the people who work for them and, in the process, help them to envision a world in which authoritarianism is not the natural condition of things.

Q: One of the main themes, as far as this, with AID today, is this whole democracy, governance question. Is there any significant role for this in Latin America?

HARRISON: Sure, but the solution won't be found in “institution building.” Providing computer systems for parliaments will not consolidate democracy. That's reminiscent of the training of the Nicaraguan, Haitian, and Dominican military forces to become professional constabularies. In the two consulting assignments I did in Nicaragua and Haiti that were focused on democratization (these were both done in 1991), I stressed the importance of promoting values and attitudes that are congenial to democracy and capitalism - civic education being one instrument that can do this, but there are a lot of other things that have to be done as well. So, the democratization focus is fine, but you have to appreciate that this is not something that you do by strengthening political parties, although that may be marginally helpful, that you do by training judges. If the judges are prepared to take money from anybody, no matter how skillful they may become in reading legal texts and using computers and so forth, they're going to continue to take money from people. So, there is a fundamental, if you will, Tocquevillian foundation in values and attitudes for democratic institutions.

Q: But if we try to teach values, ethics and so on, isn't that likely to be opposed because it's another version of Yankee imperialism?

HARRISON: This is why you need people in the countries who recognize the importance of this, who take the lead. We can help them if they do it, but we can't go in and say, “Okay, folks, we're going to make white Anglo-Saxon Protestants out of you,” although I might mention that there is a significant movement of Pentecostal, principally, Protestantism in Latin America today. Perhaps 50 million or more Latin Americans are today Protestant.

Q: Do you find that the Hispanic parts of the world have grassroots initiatives growing out of recognition that government has not helped much and, therefore, grassroots, non-government organization type community groups are beginning to take the initiative on their own? It's happening in other parts of the world, but I don't know about Latin America.

HARRISON: When you run into such groups in Latin America, they are often (I'm not even sure I can think of an exception) promoted by U.S. PVOs. My sense is that, like so many other development initiatives from the outside, if the U.S. support were to vanish, many would collapse. On the other hand, these kinds of intermediating organizations and groups have a very important role in a pluralistic society. As I say in the chapters on Argentina, Brazil, Chile, and Mexico in the new book, one litmus test for the prospects for enduring democracy will be the survivability of these institutions, these private institutions. But they are inconsistent with the cultural mainstream. Spontaneous association is alien to Latin American culture. It's the family where the association takes place. So, there is an important cultural-

Q: Are there any movements toward a decentralization of government?

HARRISON: That's another part of the set of prescriptions that I touch on in the book. Decentralization is alien to the Latin American traditional culture. It's a very centralized

view of the world. The experience in Italy, as chronicled by Robert Putnam in his very important book, “Making Democracy Work,” suggests that the simple promotion of decentralization in itself may help to modernize values and attitudes. It certainly is part of the phenomenon in Latin America of opening up opportunity to people heretofore denied opportunity. That's why democracy and free market economic policies, in addition to their demonstrable least bad way of organizing societies, are also important because they help to change the mindset of people who have been subjugated for generation after generation after generation. They do open doors for them that have never been opened before. That, in turn, has value and attitude implications, important ones.

Q: Looking back over this whole period, with the U.S. presence in the Latin American area, do you see any fundamental shifts? Is it changing or is it more of the same?

HARRISON: It's changing. I don't want to say it's just on the surface because it's more than just that , although there is still a long way to go. The change is measurable by the fact that you have, today, only one dictatorship in Latin America. That happens to be in Cuba. It's changing, as is demonstrable by the fact that all of the governments of Latin America (and this may apply, to some extent, to Cuba) are pursuing capitalist free market economic policies. This could spell the end of what de Soto described as the “mercantilist tradition” (”patrimonialist tradition” is another way of describing it) in Latin America where there is a very cozy relationship between the rich and the bureaucrats. So, that is an encouraging reality.

Q: Is that just surface or is that fundamental?

HARRISON: It goes below the surface but it is much too early to conclude that it is fundamental in most cases. Democracy is fundamental in Costa Rica. It is probably comparably fundamental in Chile and Uruguay. The economics is, I think, quite firmly in place in Chile, as is evidenced not only from its performance in the last 15 years or so, but also from its economic history. Chile had a very dynamic economy in the 19th

century. It has an entrepreneurial tradition which, I believe, is importantly related to the disproportionate number of Basques who migrated to Chile in the 18th century. But certainly, Chile is not representative of most Latin American countries. In the cases of Argentina and Brazil and, above all, Mexico, it still is uncertain that the new economics and pluralistic politics are going to endure. (In Mexico's case, you still don't have pluralistic politics.) To say that democracy and free market economic policies are irreversible in Argentina, Brazil, and Mexico would be rash. They are, I believe, irreversible in Chile.

Q: Why do we find that most of the countries are democratic?

HARRISON: The collapse of communism in Eastern Europe was a major factor. It discredited the Latin American Left. The result was that a lot of prominent Latin American Leftists started moving towards the center. The loss of the 1990 elections by the Sandinistas in Nicaragua was another body blow to the Left. Over the years, the prodding of the United States and Western Europe about human rights issues and pluralism issues has had impact. That, combined with the traumatic collapse of the Marxist model is what basically explains why they're pursuing democratic-capitalism today.

The decisions to pursue market economics are partly influenced by the failure of socialism in Eastern Europe, but also importantly by the success of South Korea, Taiwan, Hong Kong, Singapore, and increasingly Thailand, Indonesia, and Malaysia, and now the Philippines.

Q: Apart from our expectation and the over-ambitious ideas, was the foreign assistance that was provided over these decades of any fundamental contribution to these changes?

HARRISON: It made them easier once the decision makers, the people who controlled the destinies of the countries, decided that democratic capitalism was the way to go. It made it easier because there were some stronger institutions in place. By that, I importantly mean trained people that otherwise would not have been there. The infrastructure that we helped to build has facilitated the gathering of the fruits of democratic capitalism. I've been asked

by media people on a couple of occasions to say that the foreign aid program is a failure and a fraud. I simply don't believe that. I think it's been useful. The problem is that we presented it to the American people, particularly in the Latin American context, as capable of producing miracles. Obviously, it wasn't able to produce miracles. We have been naive and arrogant in the way we have viewed our role in development in the Third World. But what we've done has been useful. I think it's been worth the money that's gone into it, generally. It's just that we didn't realize how vast and complicated a problem we were trying to deal with. We assumed that Latin Americans were no different than Americans. Like all good economists, we knew that, if we got them to put the economic signals in place, singing the right song, so to speak, they would dance like we dance.

Q: We're out of most of the Latin American countries, are we not, in terms of foreign assistance?

HARRISON: It's vastly reduced.

Q: Therefore, our role through foreign assistance is pretty well diminished?

HARRISON: It's a chapter that will be closed in a few more years. We've been closing down missions rapidly, I think.

Q: Is there any different perspective of how foreign assistance might be relevant to the future evolution of this region, not in the traditional way?

HARRISON: From my point of view, the existence of democratic political institutions that are largely defined by elections is not enough. A lot of the other elements that go with political institutions, including an independent judiciary, professional police, and intermediating private organizations, are not in place.

There are a lot of people who say, “Just leave democracy and the free market in place for long enough and Latin America's problems will be solved.” I want to point to an

example that a Cuban friend of mine has emphasized as a way of countering that very comfortable view. He points to Puerto Rico. Puerto Rico has, for almost 100 years, lived in a democratic capitalist environment, with very substantial subventions from the U.S. government. Whether you measure it from the per capita income in Puerto Rico itself (about one-half of the poorest state in the United States) or the per capita income of Puerto Ricans in the continental United States, the economic achievements of Puerto Rico are not impressive.. There's something else at work. So, that's why I say, for the Latin Americans themselves, and it's so gratifying to see so many of them saying the same thing, directly focusing on values and attitudes is something which has to be central to the development effort. As I wrote in the book, AID, the World Bank, and other donors should be focusing on cultural change.

There's another very frustrating irony in this. You probably didn't see my piece in Outlook in early November. I talked about Latin America walking away from the dependency interpretation and looking at itself and looking at its culture. I talked about the symposium that I mentioned that took place at INCAE at the end of June. The last paragraph says, “We invited - I personally invited through the Executive Secretary of AID, through Fred Schieck at the IDB, and through a contact in the World Bank - those institutions to send somebody to these really stimulating three days of discussion. None of them did.”

Q: No response?

HARRISON: Fred believes it was a wonderful opportunity, but he doesn't run the IDB. My name is mud in AID because, I believe, the Chief of Staff there thinks I'm a racist. So, the simple fact that I was associated with it may very well have deterred them from attending, even though Aaron Williams, who was the Executive Secretary, is former a colleague and friend, but he couldn't call the shots. There are some people in the World Bank- I've done a presentation there for a large number of World Bank officers and it was very clear (there were more than 100 people present; this was a brown bank lunch discussion, which they have periodically) that a large number of them were very enthusiastic in pursuing these

ideas. But it was also clear that some of them saw them as unpalatable for their institution. So, that's a source of great frustration. But, if I'm right that the reason that we feel that the world's effort to promote development in the last 50 years has fallen significantly short of what we had hoped it would do, if the reason for that is importantly because of cultural obstacles to development, then these institutions have to focus on this issue.

Q: Or leave it alone.

HARRISON: That's basically what they've done. I believe that they will experience a lot more frustration.

Q: But you, as many others, have put a lot of emphasis on the importance of education and training. You still think this would be an appropriate area with a different orientation perhaps?

HARRISON: I would do more of it. I'd modify it and try to emphasize more this question of promoting the values and attitudes that have worked for us and the Canadians and the Western Europeans and Japanese and Koreans and so forth. But certainly, education is the place where I would be putting most of the emphasis. As the first order of business, eliminate illiteracy. That can be done in a generation. We've got the resources in the world to do it. But then there are a lot of other things involving the promotion of the idea that human creativity is at the root of progress, that what government does and what families do and what religions do should be promoting that idea and nurturing it.

Q: That's a good concluding comment. Certainly, you may want to modify or add to this as you get a chance to review it. Have you any other major thoughts that you want to add at this point on your career?

HARRISON: No. I would summarize it by saying what I said at my retirement party. I consider myself extremely fortunate to have had those 20 years with AID. I learned an enormous amount. I learned a lot about myself in the process. I was fortunate in getting

interesting and, in some cases, exciting posts. There's nothing else that I would rather have done with my life than what I did. So, I don't want to leave any impressions that I am other than extremely grateful for the opportunities that AID gave me.

Q: That's excellent. Good.

End of interview